UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/CP/2000/INF.3 (Vol. III)
6 April 2001

ENGLISH ONLY

CONFERENCE OF THE PARTIES
Sixth session
The Hague, 13-25 November 2000

TEXTS FORWARDED BY THE SUBSIDIARY BODIES TO THE CONFERENCE OF THE PARTIES AT THE FIRST PART OF ITS SIXTH SESSION

1. This information document contains the negotiating texts forwarded by the subsidiary bodies to the Conference of the Parties at the first part of its sixth session under agenda item 3.*

2. The revised negotiating texts prepared by the President of the Conference are contained in the report of the Conference (FCCC/CP/2000/5/Add.3 (Volumes I-V)).

* FCCC/SBSTA/2000/CRP.11 and FCCC/SB/2000/CRP.15/Rev.2 are contained in part three of the report of the Conference (FCCC/CP/2000/5/Add.3 (Volume IV)).

CONTENTS

PREPARATIONS FOR THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL (DECISION 8/CP.4)
(Agenda item 7)

		Page
I.	NATIONAL SYSTEMS, ADJUSTMENTS AND GUIDELINES UNDER ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL (Agenda item 7 (a))	5
A.	Guidelines for national systems under Article 5.1 of the Kyoto Protocol	5
	Draft decision -/CP.6. Guidelines for national systems under Article 5.1 of the Kyoto Protocol	5
	Draft decision /CMP.1. Guidelines for national systems under Article 5.1 of the Kyoto Protocol	6
B.	Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol	7
	Draft decision -/CP.6. Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol	7
	Draft decision -/CMP.1. Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol	8
C.	Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol	13
	Draft decision -/CP.6. Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol	13
	Annex. Tentative timetable for the completion of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol	15
	Draft decision -/CMP.1. Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol	17
	Draft guidelines for the preparation of the Information required under Article 7 of the Kyoto Protocol	20

D. Guidelines for review under Article 8 of the Kyoto Protocol 37

Draft decision -/CP.6. Guidelines for review under Article 8 of the Kyoto Protocol 37

Draft decision -/CMP.1. Guidelines for review under Article 8 of the Kyoto Protocol 38

Draft guidelines for review under Article 8 of the Kyoto Protocol 40

I. NATIONAL SYSTEMS, ADJUSTMENTS AND GUIDELINES UNDER ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

(Agenda item 7 (a))

A. GUIDELINES FOR NATIONAL SYSTEMS UNDER ARTICLE 5.1 OF THE KYOTO PROTOCOL

Draft decision -/CP.6[1]

Guidelines for national systems under Article 5.1 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4 and 8/CP.4,

Noting Article 5.1 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered the conclusions of the Subsidiary Body for Scientific and Technological Advice at its twelfth and resumed thirteenth session,[2]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision;

2. *Encourages* Parties included in Annex I to the Convention (Annex I Parties) to implement the guidelines for national systems under Article 5.1 of the Kyoto Protocol as soon as possible with the aim of gaining experience with their implementation;

3. *Urges* Parties included in Annex II to the Convention to assist Annex I Parties with economies in transition, through appropriate bilateral or multilateral channels, with the implementation of the guidelines for national systems under Article 5.1 of the Kyoto Protocol.

---

[1] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.16.

[2] FCCC/SBSTA/2000/5 and FCCC/SBSTA/2000/14.

Draft decision [-/CMP.1]

Guidelines for national systems under Article 5.1 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

Recalling Article 5.1 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its provision that each Party included in Annex I to the Convention shall have in place, no later than one year prior to the start of the first commitment period, a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol,

Recognizing the importance of such national systems for the implementation of other provisions of the Kyoto Protocol,

Having considered decision -/CP.6, adopted by the Conference of the Parties at its sixth session,

1. *Adopts* the guidelines for national systems under Article 5.1 of the Kyoto Protocol;[1]

2. *Urges* Parties included in Annex I to the Convention to implement the guidelines as soon as possible.

---

[1] FCCC/SBSTA/2000/5, annex I.

B. GOOD PRACTICE GUIDANCE AND ADJUSTMENTS UNDER ARTICLE 5.2 OF THE KYOTO PROTOCOL

Draft decision [-/CP.6] [4]

Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol

The Conference of the Parties,

Noting Article 5.2 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Recalling its decisions 1/CP.3, 2/CP.3, 1/CP.4 and 8/CP.4,

Recognizing the essential role of high quality greenhouse gas inventories under the Convention and the Kyoto Protocol,

Recognizing the need for confidence in estimates of anthropogenic emissions by sources and removals by sinks for the purpose of ascertaining compliance with commitments under Article 3 of the Kyoto Protocol,

Acknowledging the importance of ensuring that anthropogenic emissions are not underestimated and that removals by sinks and anthropogenic base year emissions are not overestimated,

Having considered the relevant conclusions and recommendations of the Subsidiary Body for Scientific and Technological Advice,[5]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision;

2. *Requests* the secretariat to organize a workshop prior to, and one or possibly more workshops after, the fourteenth session of the Subsidiary Body for Scientific and Technological Advice on methodologies for adjustments under Article 5.2 of the Kyoto Protocol with the participation of greenhouse gas inventory experts and other experts nominated to the UNFCCC roster of experts and experts involved in the preparation of the Intergovernmental Panel on Climate Change report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*. The purpose of the first workshop would be to elaborate draft technical guidance on methodologies for adjustments under Article 5.2, building upon submissions by Parties contained in documents FCCC/SBSTA/2000/MISC.1 and Add.1,

---

[4] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.17 and Corr. 1.

[5] FCCC/SBSTA/1999/14, paragraph 51 (i); FCCC/SBSTA/2000/5, paragraph 40 (b).

FCCC/SBSTA/2000/MISC.7, and Add.1-2 as well as FCCC/TP/2000/1, for consideration by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session. At that session, the Subsidiary Body for Scientific and Technological Advice should define more precisely the scope of the second workshop;[6]

3. *Requests* the Subsidiary Body for Scientific and Technological Advice to complete technical guidance on methodologies for adjustments under Article 5.2 of the Kyoto Protocol, building upon the attached draft decision and the outcome of the process described in paragraph 2 above, for consideration by the Conference of the Parties at its eighth session, with a view to recommending, at that session, such technical guidance for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Protocol;

4. [*Decides* to develop relevant technical guidance on methodologies for adjustments under Article 5.2 of the Kyoto Protocol for estimates of anthropogenic emissions and removals from land-use, land-use change and forestry, after completion of the work of the Intergovernmental Panel on Climate Change on good practice guidance on this matter, with a view to recommending such technical guidance, at its eighth session, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Protocol.]

Draft decision [-/CMP.1]

Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5.2 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Further recalling decisions 1/CP.3, 2/CP.3, 1/CP.4 and 8/CP.4 of the Conference of the Parties,

Having considered decision -/CP.6 adopted by the Conference of the Parties at its sixth session,

1. *Endorses* the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, as accepted by the sixteenth session of the IPCC held in Montreal, Canada, 1 to 8 May 2000 (hereinafter referred to as the IPCC good practice guidance), as an elaboration of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*;

---

[6] The organization of the workshops would be subject to availability of funds.

2. *Decides* that the good practice guidance referred to in paragraph 1 shall be used by Parties included in Annex I to the Convention (Annex I Parties) in their preparation of national greenhouse gas inventories under the Kyoto Protocol;

3. *Decides* that adjustments referred to in Article 5.2 of the Kyoto Protocol shall be applied only when inventory data submitted by Annex I Parties to the Convention are found to be incomplete and/or are prepared in a way that is not consistent with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP;

4. *Decides* that the calculation of adjustments shall commence only after an Annex I Party has been provided with opportunities to correct any deficiencies in accordance with the time-frame and procedures set forth in the guidelines for inventory review under Article 8;

5. *Decides* that the adjustment procedure shall result in estimates that are conservative for the Annex I Party concerned so as to ensure that anthropogenic emissions are not underestimated [and anthropogenic removals by sinks] and anthropogenic base year emissions are not overestimated;

6. *Emphasizes* that adjustments are intended to provide an incentive for Parties to provide complete and accurate annual greenhouse gas inventories prepared in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP. Adjustments are intended to correct inventory problems in specific source [or sink] categories for the purpose of accounting of the Parties' emissions inventories and assigned amounts. Adjustments are not intended to substitute for a Party's obligation to estimate and report greenhouse gas inventories in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP;

7. *Decides* that adjusted estimates shall be calculated in accordance with the technical guidance on methodologies for adjustments contained in the annex to this decision. Such technical guidance shall ensure consistency and comparability and that similar methods are used for similar problems as far as possible across all inventories reviewed under Article 8;

8. *Decides* that any adjustments applied to an Annex I Party's base year inventory estimates shall be used in the calculation of the Party's [initial] assigned amount pursuant to Articles 3.7, 3.8 and 7.4 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4,] and shall not be replaced by a revised estimate subsequent to the establishment of the Party's [initial] assigned amount.

9. *Decides* that any adjustments applied to a Party's inventory for a year of the commitment period shall be used in the annual compilation and accounting of emission inventories and assigned amounts.

10. *Decides* that a Party may submit a revised estimate for a part of its inventory of a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012. The revised estimate will replace the adjusted estimate for the compilation of emissions inventories and assigned amounts, subject to review under Article 8 and, in case of the disagreement between the Party and the expert review team, with the authorization of the compliance committee. The option for a Party to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Parties from making best efforts to correct the problem at the time it was initially identified and in accordance with the timetable set forth in the guidelines for review under Article 8.

Annex to this decision

(to be elaborated in accordance with decision -/CP.6, paragraph 3 (above))

C. GUIDELINES FOR THE PREPARATION OF THE INFORMATION REQUIRED UNDER ARTICLE 7 OF THE KYOTO PROTOCOL

Draft decision -/CP.6[7]

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 3/CP.5 and 4/CP.5,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 7,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,[8]

Recognizing the role of information submitted under the Kyoto Protocol pursuant to Article 7, in demonstrating the progress of Parties included in Annex I to the Convention (Annex I Parties) by 2005 towards meeting their commitments under the Protocol in accordance with their national circumstances,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision;

2. *Endorses* the structure and the elements of the draft guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol as contained in document FCCC/SBSTA/2000/xx;

3. *Decides* to complete the elaboration of these draft guidelines in accordance with the timetable contained in the annex to this decision, on the basis of relevant decisions of the Conference of the Parties [and taking into account the elements contained in the appendix to document FCCC/SBSTA/2000/xx];

[4. *Decides* to develop criteria for cases of failure to submit information under Article 3.3 [and 3.4] after the completion of the good practice guidance on land-use, land-use change and forestry by Annex I Parties;]

---

[7] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.17 and Corr. 1.

[8] FCCC/SBSTA/2000/xx, FCCC/SBI/2000xx.

Option 1

5. *Invites* Parties to submit their views by 1 April 2001, on the definition of demonstrable progress in the context of Article 3.2 of the Kyoto Protocol, for compilation in a miscellaneous document to be considered by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session;

6. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider the above-mentioned views, at its fourteenth session, and to elaborate reporting requirements on matters related to Article 3.2, with a view to adoption of a decision on this matter by the Conference of the Parties at its seventh session.]

Option 2

[5. *Invites* Parties to submit their views, by 1 April 2001, on the further elaboration of the guidelines under Article 7 of the Kyoto Protocol, for compilation in a miscellaneous document to be considered by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session;

6. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider the above-mentioned views, at its fourteenth session, and to elaborate reporting requirements under Article 7 of the Kyoto Protocol, with a view to adoption of a decision on this matter by the Conference of the Parties at its eighth session.]

Option 3

[5. *Invites* each Annex I Party to submit, in its fourth national communication, the following information to provide it with the basis for reviewing the preparations made by these Parties to meet their commitments under the Kyoto Protocol:

(a) Domestic measures, including legal and institutional steps to prepare to implement Protocol obligations and mitigate greenhouse gas emissions, and programmes for domestic compliance and enforcement;

(b) Trends and projections of its greenhouse gas emissions;

6. *Decides*, if the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol does not meet prior to 31 December 2005, to [assess] [consider], at its scheduled session before that date, the progress of each Annex I Party in preparing to meet its commitments under the Kyoto Protocol, on the basis of each Annex I Party's fourth national communication and the information received in accordance with paragraph 4 above;

7. *Decides* to consider the date for the submission of the fourth national communication by Annex I Parties at its seventh session.]

[**Annex**

(to the COP decision)
(to be used only in the case that some sections of the guidelines are not completed by the sixth session of the COP)

Tentative timetable for the completion of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

Sections of the guidelines	**To be finalized not later than**
I. REPORTING OF INFORMATION UNDER ARTICLE 7.1	
D. Greenhouse gas inventory information (only issues related to Article 3.3 [and 3.4])	COP 8/9
E. Information on [assigned amount] [ERUs, CERs and [AAUs][PAAs]][*]	COP 7
[H. Information on Article 3.2]	[COP 7/8]
[I. Information on Article 3.14]	[COP 7]
[J. Information on supplementarity pursuant to Article 17]	[COP 7]
II. REPORTING OF INFORMATION UNDER ARTICLE 7.2	
D. National registries	COP 7
[E. Mechanisms pursuant to Articles 6, 12 and 17]	[COP 7]
[F. Supplementary information relevant to Article 3] [1. Demonstrable progress in 2005 (Article 3.2]	[COP 7/8]
[F. Supplementary information relevant to Article 3] [2. Minimization of adverse impacts under Article 3.14]	[COP 7]
I Policies and measures in accordance with Article 2	COP 7/8
[III. MODALITIES FOR ACCOUNTING FOR THE ASSIGNED AMOUNT UNDER ARTICLE 7.4]	[COP 7]

]

Note: It is anticipated that the consideration of most substantive issues related to the sections of the guidelines mentioned in the timetable will finish during the resumed SBSTA 13 and COP6. The approach for the further elaboration of the guidelines under Article 7 outlined in this annex

---

[*] Emission reduction units (ERUs), certified emission reductions (CERs), assigned amount units (AAUs), parts of assigned amounts (PAAs).

will be followed only in the case that consensus on these substantive issues is not reached in time to allow the finalization of these guidelines by the close of COP 6.

Draft decision [-/CMP.1]

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 7 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered decision - CP.6, adopted by the Conference of the Parties at its sixth session,

Recognizing the importance of transparent reporting for facilitating the review process under Article 8 of the Kyoto Protocol,

1. *Adopts* the guidelines for the preparation of information under Article 7 of the Kyoto Protocol;[10]

2. *Decides* that each Party included in Annex I to the Convention (Annex I Party) shall submit to the secretariat no later than [1 January 2007] the information required by section III of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol, to enable the establishment of [initial] assigned amounts prior to the first commitment period;

3. *Requests* the secretariat to make available to the expert review teams operating under Article 8 of the Kyoto Protocol, the information provided by each Annex I Party for the establishment of its [initial] assigned amounts, in order to facilitate the review of this information in accordance with the guidelines under Article 8 of the Kyoto Protocol, as soon as practicable after this information has been submitted by the Annex I Party;

4. *Requests* the secretariat to record the reviewed [initial] assigned amounts of all Annex I Parties, by [*date*], upon finalization of the pre-commitment period review and resolution of any questions of implementation relating to the [initial] assigned amount [by the enforcement branch of the compliance committee and the COP/MOP], after which date they shall remain fixed for the duration of the commitment period;

[5. *Decides* that each Annex I Party, bearing in mind Article 7.3 of the Kyoto Protocol and the needs of the review under Article 8 of the Kyoto Protocol, shall start reporting the information under Article 7.1 of the Kyoto Protocol with the inventory submission due in [*date*]];

[6. *Option 1*: *Decides* to start the annual compilation and accounting of emissions inventories and assigned amounts for each Annex I Party in the year that the Party undergoes the

---

[10] FCCC/SBSTA/2000/xx.

review prior to the commitment period. However, emission inventories shall not be compiled until the inventory for the year 2008 is available

Option 2: *Decides* to start the annual compilation and accounting of emissions inventories and assigned amounts for each Annex I Party after its first individual inventory and assigned amount reviews are complete and after resolution of any compliance-related matters which affect the inventory and assigned amounts];

[6. *Recognizes* the importance of the first national communications submitted under the Kyoto Protocol in demonstrating the progress of Annex I Parties as referred to in Article 3.2 [in achieving] [towards meeting] commitments under the Kyoto Protocol;]

[7. *Determines* that each Annex I Party [should] [shall] demonstrate progress in a way that is appropriate to its national circumstances [, including for example,] through the institutional and legal steps it has taken to prepare to meet its obligations under the Protocol, [such as] [and]:

(a) A national system for greenhouse gas estimation;

(b) [A national registry for accounting for assigned amount;]

(c) Domestic measures, including legislation, to implement Protocol [obligations] [commitments] and mitigate greenhouse gas emissions; or

(d) Programmes for domestic compliance and enforcement;

(e) [Implementation of its financial and transfer of technology obligations;]

(f) [Programmes and activities on minimizing adverse social, environmental and economic impacts on developing country Parties;]

(g) [Trends and projections of its greenhouse gas emissions.]]

[8. *Decides* that, in this regard, the entirety of each Annex I Party's first national communication submitted under Article 7.2 of the Protocol is relevant for demonstration of progress by that Annex I Party;]

[9. *Option 1*: *Decides* that, without prejudice to other requirements adopted under this decision, an Annex I Party will only be considered to be in non-compliance with the [inventory] requirements under Article [7] [7.1] upon determination [by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and compliance committee] that the Annex I Party concerned has:

Option 2: *Decides* that the following questions relating to inventories under Article 7.1 shall constitute questions that relate to eligibility requirements:

(a) Failed to submit an annual inventory, including the national inventory report and the common reporting format within six weeks of the submission due-date; or

(b) Failed to include an estimate for a source category (as defined in chapter 7 of the IPCC *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*) that individually accounts for [7 per cent] or more of the Annex I Party's total annual emissions, as measured in the most recently reviewed inventory.

[(c) The average of the percentage difference, for all available years of the commitment period, between the Party's total adjusted annual inventory and its total submitted annual inventory, relative to the total submitted annual inventory, exceeds [5 per cent]];

[(d) An adjustment for the same key source category (as defined in chapter 7 of the IPCC good practice guidance) was calculated during the inventory review in three subsequent years];

[(e) Failure to submit information under Articles 3.2, 3.14, 10 and 11 of the Kyoto Protocol];

[(f) Whether for any single year, the aggregate adjusted greenhouse gas emissions for an Annex I Party exceeds [5 per cent] of the aggregate submitted emissions, defined as aggregate submitted emissions of gases and sources listed in Annex A of the Kyoto Protocol];

[(g) Whether for any 2 or more years of the commitment period, the cumulative aggregate adjusted greenhouse gas emissions for these years of the commitment period, already reviewed, exceed [12 per cent] of the cumulative aggregate submitted emissions for those years, defined as aggregate submitted emissions of gases and sources listed in Annex A of the Kyoto Protocol.]]

[10. *Decides* that criteria for questions related to eligibility requirements for problems related to adjustments of emissions and removal estimates from activities under Article 3.3 [and 3.4] will be further developed after the work on good practice for land-use, land-use change and forestry and reporting of those emissions and removals under the Protocol has been completed.]

DRAFT GUIDELINES FOR THE PREPARATION OF THE INFORMATION REQUIRED UNDER ARTICLE 7 OF THE KYOTO PROTOCOL

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.1[11]

A. Applicability

1. [The application of these provisions is mandatory for each Party included in Annex I to the Convention, which is also a Party to the Kyoto Protocol[12] [(including regional economic integration organizations and their member States)], except for provisions expressed in non-mandatory language.]

B. Structure

2. [Each Annex I Party shall include the necessary supplementary information required by these guidelines, for the purpose of ensuring compliance with Article 3, in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5.2 and decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties (COP).] An Annex I Party need not separately submit an inventory under Article 12.1(a) of the Convention.

C. Objectives

3. The objectives of these guidelines are:

(a) To enable Annex I Parties to meet their commitments for reporting information in accordance with Article 7.1;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Annex I Parties;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Annex I Parties;

(d) To facilitate the review under Article 8 of inventories and supplementary information under Article 7.1 from Annex I Parties.

D. Greenhouse gas inventory information

4. Each Annex I Party shall submit an inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5.2 and relevant decisions of the COP/MOP. An Annex I Party need not separately submit an inventory under Article 12.1(a) of the Convention.

---

[11] Unless specified otherwise, all articles referred to in these guidelines are those of the Kyoto Protocol. For the sake of brevity, the Kyoto Protocol is not specified after each article.

[12] In these guidelines, Annex I Party refers to a Party included in Annex I to the Convention which is also a Party to the Kyoto Protocol.

5. [Each Annex I Party shall include in its annual[13] greenhouse gas inventory information on [net changes in carbon stocks and] anthropogenic greenhouse gas emissions and removals from land-use, land-use change and forestry under Article 3.3 [and 3.4], in accordance with any guidelines, rules and modalities that may be adopted by the COP/MOP. Estimates for Article 3.3 [and 3.4] shall be clearly distinguished from anthropogenic emissions of gases listed in Annex A to the Protocol.]

(Reporting issues related to Article 3.3 and 3.4 will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to Article 3.3 and 3.4, and taking into account the COP decision on land-use, land-use change and forestry and any relevant provisions of the decision to be recommended to the COP/MOP.)

6. [If inventory data were adjusted during the previous year, the Annex I Party concerned shall report which data were adjusted and reference the individual inventory review report. The Annex I Party shall report on steps taken to improve estimates from previously adjusted sources.]

E. Information on [assigned amount] [ERUs, CERs and [AAUs] [PAAs]] [14]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to Articles 6, 12 and 17, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

F. Changes in national systems in accordance with Article 5.1

7. Each Annex I Party shall include in its national inventory report information on any changes that have occurred in its national system compared to information reported in its last submission, including information submitted in accordance with paragraphs 15-16 of these guidelines.

G. Changes in national registries[15]

8. Each Annex I Party shall include in its national inventory report information on any changes that have occurred in its national registry, compared to information reported in its last submission, including information submitted in accordance with paragraph(s) xx-yy of these guidelines.

---

[13] In accordance with the IPCC good practice guidance, annual reporting of inventory information does not necessarily require annual data collection in all source categories and sectors.

[14] Emission reduction units (ERUs), certified emission reductions (CERs), assigned amount units (AAUs), parts of assigned amount (PAAs).

[15] This section may need to be redrafted pending the outcome of the group on mechanisms.

[H. Information on Article 3.2]

[I. Information on Article 3.14]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the considerations of one or more elements of issues pursuant to Article 3.14, and taking into account the COP decision on matters relating to Article 3.14 of the Kyoto Protocol and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

[J. Information on supplementarity pursuant to Article 17]

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.2

A. Applicability

9. [The application of these provisions is mandatory for each Annex I Party [(including regional economic integration organizations and their member States)], except for provisions expressed in non-mandatory language.]

B. Structure

10. Each Annex I Party shall include the necessary supplementary information required under these guidelines to demonstrate compliance with its commitments under the Protocol in its national communication submitted under Article 12 of the Convention, with the time-frames for the obligations established by the Protocol and with the relevant decisions of the COP and the COP/MOP.

C. Objectives

11. The objectives of these guidelines are:

(a) To enable Annex I Parties to meet their commitments for reporting information in accordance with Article 7.2;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Annex I Parties;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Annex I Parties;

(d) To facilitate the review under Article 8 of national communications and of supplementary information under Article 7.2 from Annex I Parties.

D. National registries

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[E. Mechanisms pursuant to Articles 6, 12 and 17]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[F. Supplementary information relevant to Article 3]

[1. Demonstrable progress in 2005 (Article 3.2)

(The issue of demonstrable progress is also addressed in the possible elements related to guidelines for the preparation of the information required under Article 7 to be incorporated in draft COP and COP/MOP decision(s) contained in annex I to this document.)

12. Each Annex I Party shall provide, in all relevant sections of its fourth national communication, information to demonstrate what and how progress has been made in achieving its commitments under the Kyoto Protocol. *(Specific guidelines to be drafted later.)*

13. Each Annex I Party shall provide information on all steps it has taken and anticipates taking to comply with its commitment contained in Article 3.2 of the Protocol, including a detailed explanation as to why the Annex I Party believes, with respect to each of its separate commitments contained in the Protocol, that the described steps do or do not constitute "demonstrable progress in achieving" each such commitment.]

[2. Minimization of adverse impacts under Article 3.14]

(Reporting issues related to Article 3.14 will be considered at a later stage taking into account COP decision(s) on matters related to Article 3.14 of the Kyoto Protocol and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

[G. Joint fulfilment of commitments in accordance with Article 4

14. A regional economic integration organization that becomes a Party to this Protocol pursuant to Article 24.1 shall include in its national communication information on:

(a) The implementation of any measures aimed at enforcing the respective emission levels of members set forth in an agreement under Article 4 to fulfil their commitments under Article 3 jointly;

(b) The respective roles and responsibilities of the regional economic integration organization and its member States with respect to their participation in the Kyoto mechanisms;

(c) Measures taken to ensure the consistency of inventory and assigned amount information gathered and reported by the regional economic integration organization and by its member States.]

H. National systems in accordance with Article 5.1

15. Each Annex I Party shall provide a description of how it is performing the general and specific functions defined in the guidelines for national systems under Article 5.1. The description shall contain the following elements:

(a) The name and contact information for the national entity and its designated representative(s) with overall responsibility for the national inventory of the Annex I Party;

(b) The roles and responsibilities of various agencies and entities in relation to the inventory development process, as well as the institutional, legal and procedural arrangements made to prepare the inventory;

(c) A description of the process for collecting activity data, for selecting emission factors and methods, and for the development of emission estimates;

(d) A description of the process and the results of key source identification and, where relevant, archiving of test data;

(e) A description of the process for the recalculation of previously submitted inventory data;

(f) A description of the quality assurance and quality control plan, its implementation and the quality objectives established, and information on internal and external evaluation and review processes and their results in accordance with the guidelines for national systems;

(g) A description of the procedures for the official consideration and approval of the inventory.

16. If the Annex I Party has not performed all functions, distinguishing between mandatory and non-mandatory functions, defined in the guidelines for national systems under Article 5.1, then the Annex I Party shall provide an explanation of which functions were not performed or were only partially performed and information on the actions planned or taken to perform these functions in the future.

I. Policies and measures in accordance with Article 2

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to policies and measures, and taking into account the COP decision on "best practices" or "good practices" in policies and measures among Parties included in Annex I to the Convention and COP decision(s) on implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol) and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

[1. Article 2.1]

[2. Article 2.2]

[3. Article 2.3]

J. Domestic [and regional] programmes and/or legislative arrangements and enforcement and administrative procedures

17. Each Annex I Party shall report any relevant information on its domestic [and regional] legislative arrangements and enforcement and administrative procedures[, established pursuant to the implementation of the Kyoto Protocol], according to its national circumstances. This information shall include:

(a) A description of any domestic [and regional] legislative arrangements and enforcement and administrative procedures an Annex I Party has in place to meet its commitments under the Kyoto Protocol, including the legal authority for such programmes and how they are implemented;

(b) A description of any enforcement and administrative procedures, including a summary of action taken to identify, prevent, address, and enforce cases of non-compliance with domestic law;

(c) A description of any provisions to make information on these legislative arrangements and enforcement and administrative procedures (e.g. rules on enforcement and administrative procedures, action taken) publicly accessible.

K. Information under Article 10

Option 1 (paragraph 18)

18. In providing information under part II, section VIII of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex I Party shall provide information on programmes and activities carried out pursuant to Article 10 (c), (d) and (e).

Option 2 (paragraphs 19-20)

19. Each Party included in Annex I shall report its activities, actions and programmes taken in fulfilment of its commitments under Article 10.

20. Each Annex I Party shall report on the steps it has taken to promote, facilitate and finance the transfer of technology to developing countries and to build their capacity pursuant to Article 4.3, 4.5 and 4.7 of the Convention in order to facilitate the implementation of Article 10.

L. Financial resources

Option 1 (paragraph 21)

21. In providing information under part II, section VIII of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex II Party shall provide information related to Article 11.

Option 2 (paragraphs 22-23)

22. Each Annex II Party shall provide information on the implementation of Article 11 of the Kyoto Protocol, in particular information on what new and additional financial resources have been provided, in what way these resources are new, additional, and being provided in an adequate and predictable manner.

23. Each Annex II Party shall provide information on its contribution made to any funds may be established.

[III. MODALITIES FOR ACCOUNTING FOR ASSIGNED AMOUNT UNDER ARTICLE 7.4

A. Establishment of [initial] assigned amount

24. Each Annex I Party [, including each Annex I Party operating under Article 4,] shall [individually] establish its [initial] assigned amount in accordance with Article 3.7 and 3.8 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4]. To this end, each Annex I Party shall:

(a) Calculate its [initial] assigned amount using its base year(s) inventory estimates prepared in accordance with Article 5.2;

(b) Issue serial numbers for its entire [initial] assigned amount in accordance with registry requirements in [ ].

25. Each Annex I Party [, including each Annex I Party operating under Article 4,] shall individually submit to the secretariat a report to establish its [initial] assigned amount and to demonstrate its capacity to account for its emissions and assigned amount during the commitment period. This report shall include the following information:

(a) A greenhouse gas inventory and national inventory report containing complete inventories for all years from 1990, or other approved base year under Article 3.5, to the most recent year available;

(b) Identification of its selected base year for hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) under Article 3.8;

(c) Calculation of its [initial] assigned amount, pursuant to Article 3.7 and 3.8 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4];

(d) Serial numbers for its entire [initial] assigned amount, in accordance with relevant decisions of the COP/MOP;

(e) A description of its national system for greenhouse gas estimation reported in accordance with paragraphs 15-16 of these guidelines;

(f) [A description of its national registry for tracking its assigned amount reported in accordance with paragraphs xx-yy of these guidelines.]

26. [Any Annex I Party operating under Article 4 of the Protocol shall report the serial numbers of [initial] assigned amounts that it has transferred or acquired pursuant to its Article 4 arrangement, and identify each acquiring or transferring Annex I Party.]

27. After a review under Article 8 and resolution of any questions of implementation relating to adjustments or assigned amounts [by the enforcement branch of the compliance committee], the [initial] assigned amount of each Annex I Party, calculated pursuant to Article 3.7 and 3.8 [and for Parties that have reached an agreement to fulfill their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4], shall be recorded in the secretariat's database for accounting for emissions and assigned amounts. Once the [initial] assigned amount is recorded, it shall remain fixed for the duration of the commitment period.

B. National registry requirements

(Modalities and any reporting issues related to national registries will be elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[C. Additions to and subtractions from assigned amounts related to Article 3.3 [and 3.4]]

(A group of Parties has proposed that this section should be moved under section I (Reporting of supplementary information under Article 7.1)).

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to

the issuance and cancellation of assigned amounts related to Article 3.3 and 3.4, and taking into account the COP decisions on land-use, land-use change and forestry and the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[D. Retirement and [carry-over] [banking] of assigned amount

28. Each Annex I Party may, at any time during a commitment period, set aside ('retire') assigned amount to be used for meeting its Article 3.1 commitment. Any assigned amount retired by an Annex I Party shall not be subsequently transferred.

29. Prior to the expiration of the 'true-up' period[16], each Annex I Party shall retire assigned amount, from the current or previous commitment period(s), equivalent to its total aggregate emissions during the period from sources listed in Annex A to the Kyoto Protocol, estimated in accordance with Article 5.2.]]

IV. LANGUAGE

30. The information reported in accordance with these guidelines shall be submitted in one of the official languages of the United Nations. Annex I Parties are encouraged to submit a translation of the information under Article 7.1 in English, in order to facilitate the annual review of the inventory information under Article 8.

V. UPDATING

31. These guidelines shall be reviewed and revised, as appropriate, by consensus, in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

---

[16] The term "true-up" period will be replaced in accordance with the relevant decisions of the COP and/or COP/MOP.

Appendix

This appendix contains elements of information to be reported under Article 7 of the Kyoto Protocol that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included in the appropriate sections of the guidelines and will be further elaborated immediately after finalization of the consideration of one or more elements of issues pursuant to Articles 2, 3.3, 3.4, 3.14, 6, 12 and 17 by the resumed thirteenth session of the SBSTA and the sixth session of the COP, and taking into account relevant COP decisions and the provisions of draft decisions to be recommended to the COP/MOP.

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.1

E. Information on [assigned amount] [ERUs, CERs and [AAUs] [PAAs]]

1. [Each Annex I Party shall report, in a standard format, the following information relevant to a given commitment period:

(a) Total quantity of ERUs, CERs and [AAUs] [PAAs] in its registry at the beginning of the previous calendar year;[17]

(b) Total quantity of [AAUs] [PAAs] issued into its registry[, including those in accordance with Article 3.3 [or 3.4]] by the Annex I Party during the previous calendar year;

(c) Total quantity of ERUs and [AAUs] [PAAs] acquired during the previous calendar year, identifying each transferring Annex I Party;

(d) Total quantity of CERs acquired during the previous calendar year, identifying each transferring Party, including CERs acquired in accordance with Article 12.10 from [2000 up to and including the previous calendar year, if not previously reported] [2008 or else from when a Party acquires CERs];

(e) Total quantity of ERUs[, CERs] and [AAUs] [PAAs] transferred during the previous calendar year, identifying each acquiring Party and indicating initial transfers of ERUs;

(f) Total quantity of ERUs, CERs and [AAUs] [PAAs] retired during the previous calendar year;

(g) Total quantity of ERUs, CERs and [AAUs] [PAAs] cancelled during the previous calendar year;

(h) Total quantity of ERUs, CERs and [AAUs] [PAAs] in its registry at the end of the previous calendar year [, excluding ERUs, CERs and [AAUs] [PAAs] in retirement or cancellation accounts].

2. Each Annex I Party shall annually transmit from its registry to the secretariat, in a standard electronic format, the serial numbers of all ERUs, CERs and [AAUs] [PAAs] identified in paragraph 1 (b)-(h) above.

---

[17] Defined as the calendar year according to Universal Time (Greenwich Mean Time).

3. Upon expiration of the 'true-up period' after each commitment period, each Annex I Party shall report, in a standard format, the following information:

(a) Total quantity of all ERUs, [CERs] and [AAUs] [PAAs] acquired during the true-up period and identification of each transferring Party;

(b) Total quantity of all ERUs, [CERs] and [AAUs] [PAAs] transferred during the true-up period and identification of each acquiring Party;

(c) The quantity of all ERUs, CERs and [AAUs] [PAAs] in [its] retirement and cancellation accounts;

(d) The quantity of any [ERUs, CERs and] [AAUs] [PAAs] which the Annex I Party requests to be added to its assigned amount for subsequent commitment periods in accordance with Article 3.13;

(e) [Aggregate greenhouse gas emissions for all years of the first commitment period, and all adjustments applied during the first commitment period, if any;]

(f) *[(Information – on supplementarity under Articles [4], 6 and 17.)]*

4. Upon expiration of the 'true-up period' after each commitment period, each Annex I Party shall transmit from its registry to the secretariat, in a standard electronic format, the serial numbers of all ERUs, CERs and [AAUs] [PAAs] identified in paragraph 3 (a)-(d) above.

5. [Each Annex I Party shall provide the uniform resource locator (URL) on the Internet from which information on projects having generated ERUs or CERs during the relevant year is available. Likewise, it shall provide the uniform resource locator from which up-to-date information may be found on entities which are authorized by the Annex I Party to participate in the mechanisms pursuant to Articles 6, 12 or 17.]

6. [Each Annex I Party shall, prior to the first commitment period, [report] [transmit] to the secretariat in a standard format the quantity of [AAUs] [PAAs] [and CERs] designated as its commitment period reserve in accordance with the procedures set out in (*cross reference to the decision(s) on mechanisms*).]

7. [Each Annex I Party shall annually [report] [transmit] to the secretariat in a standard format any adjustments to its commitment period reserve made in accordance with the procedures set out in (*cross reference to the decision(s) on mechanisms*).]

8. [Each Annex I Party shall report its current, best estimates of:

(a) The total amount of greenhouse gas emissions (expressed in tonnes of carbon dioxide equivalent) that the Annex I Party will be required to reduce, avoid or sequester during the first commitment period set forth in Article 3.7 of the Protocol, without taking into account net acquisitions of ERUs, CERs, or [AAUs] [(PAAs)], in order to comply with its quantified emission limitation and reduction commitment under Article 3 of the Protocol;

(b) The amounts of ERUs, CERs, and [AAUs] [PAAs], individually and in aggregate, that the Annex I Party expects to acquire (net of transfers by the Annex I Party) during each year of the first commitment period.

(c) The estimates and other information required by subparagraphs (a) and (b) above shall be accompanied by disclosure of the principal assumptions and the methodologies used by the Annex I Party in developing all of the estimates and other information, which shall be sufficiently detailed to enable a clear understanding of the basis for the estimates and other information.]

(The information in the paragraphs below is expected to be publicly available from the registry)

9. [Amount of [AAUs] [PAAs] allocated to legal entities resident in the Annex I Party, with breakdown by entity, at the beginning and at the end of the calendar year.]

10. Project numbers linked to detailed information on clean development mechanism (CDM) projects.

11. [Summary information on the acquisition of CERs from CDM projects under Article 12, which may include the descriptions of project names, scales, sites and participants, the process of CER generation, the amount of CERs acquired, and how the funds for CDM are additional.]

12. [Summary information on the acquisition and transfer of ERUs from projects under Article 6 of the Kyoto Protocol, which may include the descriptions of project names, scales, project sites, participants, the process of ERU generation, and the amount of ERUs acquired and transferred.]

13. [Summary information on acquisitions and transfers under Article 17 of the Kyoto Protocol, which may include the descriptions of the process of acquisition and transfer.]]

[J. Information on Article 3.14

Option 1

14. All steps taken by the Annex I Party to comply with its commitments contained in Article 3.14 of the Protocol, including steps taken to remove subsidies and other market distortions and tax restructuring to reflect the greenhouse gas content of the emitting sources, and detailed information describing how and the extent to which each such step contributed to minimizing the adverse effects and impacts referred to in that article and in the information provided pursuant to paragraph xx.

15. The Annex I Party's current, best estimate, expressed qualitatively and quantitatively, of the effects of its policies and measures undertaken pursuant to Article 2.1 and 2.2 of the Protocol and otherwise undertaken to achieve its quantified emission limitation and reduction commitment under Article 3.1 of the Protocol on developing countries and in particular those identified in Article 4.8 and 4.9 of the Convention, including the Annex I Party's best quantitative estimates of the effects of those policies and measures on such developing countries with respect to:

(a) The unit quantity and monetary amount of raw materials, fuels and finished goods exported to the Annex I Party by developing country Parties in each year during the period 2000 through 2012 [and thereafter];

(b) The prices of raw materials, fuels and finished goods imported from the Annex I Party by developing country Parties in each year during the period 2000 through 2012 [and thereafter];

(c) The interest rates and the total interest payable by developing country Parties to the Annex I Party and its legal entities on the external debt of developing country Parties during the period 2000 through 2012 [and thereafter];

(d) The estimates and other information required by subparagraphs (a)-(c) above shall be accompanied by disclosure of the principal assumptions and the methodologies used by the Annex i Party in developing all of the estimates and other information, which shall be sufficiently detailed to enable a clear understanding of the basis for the estimates and other information.

Option 2

16. Subsequent to the development by the COP/MOP of methodologies and case studies for assessing the impacts of climate change and after a formal demonstration by developing countries of the harm resulting from the impacts of these response measures and after assessment of the effects of the harm from these response measures, Annex I Parties will provide information pertaining to Article 3.14.]

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.2

D. National registries

17. [Each Annex I Party shall provide a description of its national registry. The description shall include the following information:

(a) The name and contact information for the designated representative responsible for the Annex I Party's national registry;

(b) A description of the database structure used in the Annex I Party's national registry;

(c) A list of and the electronic format of the information transmitted electronically from the Annex I Party's national registry to an acquiring Annex I Party's national registry when transferring assigned amount;

(d) A list of and the electronic format of the information that would be transmitted electronically from the Annex I Party's national registry to the independent transaction log when issuing, transferring, acquiring, retiring and cancelling assigned amount;

(e) An explanation of the procedures employed in the Annex I Party's national registry to prevent discrepancies in the transfer, acquisition, and retirement of assigned amount;

(f) An overview of security measures employed in the Annex I Party's national registry to deter computer attacks and minimize operator error;

(g) A list of publicly accessible data elements available through the electronic interface (e.g. World Wide Web site) to the Annex I Party's national registry;

(h) An explanation of how to access information through the electronic interface to the Annex I Party's national registry.]

[E. Mechanisms pursuant to Articles 6, 12 and 17

18. Each Annex I Party that participates in Kyoto Protocol mechanisms under Articles 6, 12 or 17 shall report:

(a) A description of any institutional arrangements and decision-making procedures that it has in place to coordinate activities related to participation in the mechanism(s), including the participation of legal entities;

(b) [General information on projects under Article 6 (summarizing detailed information on each project as publicly available on the Internet);

(c) Information on how its project activities under Article 12 have assisted Parties not included in Annex I to the Convention in achieving sustainable development and in contributing to the ultimate objective of the Convention (*reference should be made to reports issued by the non-Annex I Parties hosting projects*);

(d) Information on names and contact details of legal entities, within the jurisdiction of the Annex I Party, that are (or have been) authorized to participate in mechanisms under any of Articles 6, 12 and 17;

(e) Estimates of the expected contribution that each mechanism will allow towards compliance with the Annex I Party's quantified emission limitation and reduction commitment under Article 3.]]

F. Supplementary information relevant to Article 3

[2. Minimization of adverse impacts under Article 3.14]

I. Policies and measures in accordance with Article 2

[1. Article 2.1]

19. [In providing information under part II, section V, of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex I Party shall specifically address policies and measures implemented and/or further elaborated in order to [reduce or limit emissions of greenhouse gases not controlled by the Montreal Protocol] [meet its commitments under the Kyoto Protocol].]

20. [Information on the implementation of Article 2 of the Kyoto Protocol, in particular information on national policies and measures to mitigate climate change such as: energy efficiency improvement, development of new and renewable energy.]

21. [In addition, it shall identify steps taken to cooperate with other Parties to enhance the individual and combined effectiveness of their above-mentioned policies and measures pursuant to Article 4.2(e)(i) of the Convention.]

[2. Article 2.2]

22. [With respect to the transport sector, each Annex I Party shall identify which steps it has taken through the International Civil Aviation Organization and the International Maritime Organization in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.]

[3 Article 2.3]

23. [Information on the implementation of Article 2.3 of the Kyoto Protocol, in particular the information related to national policies and measures to minimize the adverse effects on international trade, and social environmental and economical impacts on other Parties, especially developing country Parties.]

III. MODALITIES FOR ACCOUNTING FOR ASSIGNED AMOUNT UNDER ARTICLE 7.4

[C. <u>Additions to and subtractions from assigned amounts related to Article 3.3 [and 3.4]</u>
(A group of Parties has proposed that this section should be moved under section I (Reporting of supplementary information under Article 7.1) of this appendix).

24. Additions and subtractions of assigned amount under Article 3.3 [and/or Article 3.4], where applicable, shall be prepared in accordance with requirements under Article 3.3 [and Article 3.4] and methodologies, including good practice guidance, under Article 5.2.

25. Additions and subtractions of assigned amount under Article 3.3 [and Article 3.4], where applicable, shall be reported in accordance with requirements under Article 7.1.

26. An Annex I Party may issue or cancel [AAUs] in its registry equal to the addition to or subtraction from assigned amount under Article 3.3 [and Article 3.4], where applicable, including any adjustments applied under Article 5.2, at any time prior to the final compilation and accounting of emission inventories and assigned amounts provided that, following Article 8 inventory review, the compliance committee's enforcement branch is not proceeding with a question of implementation related to Article 3.3 [and/or Article 3.4], where applicable.

27. In the case where the enforcement branch is pursuing a question of implementation pertaining to Article 3.3 [and/or 3.4], the Annex I Party may issue and/or cancel the relevant [AAUs] in relation to Article 3.3 [and/or 3.4], where applicable, following resolution of the question of implementation, unless the enforcement branch finds that the Annex I Party has not met the [requirements] under Articles 5.2 and 7.1 relating to Article 3.3 [and/or 3.4].

28. Where the enforcement branch finds that an Annex I Party has not met the [substantive requirements] under Articles 5.2 and 7.1 pertaining to Article 3.3 [and/or Article 3.4], where applicable, the Annex I Party shall not issue the relevant [AAUs] related to Articles 3.3 [and/or 3.4], where applicable.

29. Where the enforcement branch finds that an Annex I Party has not met the [requirements] under Articles 5.2 and 7.1 pertaining to Article 3.3 [and 3.4], where applicable, the Annex I Party shall nevertheless cancel [AAUs] equivalent to the subtraction in assigned amount under Article 3.3 [and 3.4], if applicable, including any adjustment applied.]

D. GUIDELINES FOR REVIEW UNDER ARTICLE 8 OF THE KYOTO PROTOCOL

Draft decision [-/CP.6][18]

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4 and 6/CP.5,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 8,

Recalling its decisions 6/CP.3 and 11/CP.4 and the usefulness of past compilations and syntheses of national communications,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,[19]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision;

2. *Endorses* parts I, II [, III], IV [, V][, Vbis][, Vter][, Vqtr], VI of the guidelines for review under Article 8 of the Kyoto Protocol;

3. *Decides* that the elaboration of parts [III,] V [, Vbis][, Vter][, Vqtr] of the guidelines for review under Article 8 of the Kyoto Protocol are to be completed in time for adoption at its [seventh] [eighth] session, taking into account decision __ CP.6 on guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol and other relevant decisions;

4. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to consider, at their sixteenth sessions, the need for any elaboration of parts I , II[, III], IV [, Vbis][, Vter][, Vqtr], VI of the guidelines for review under Article 8 of the Kyoto Protocol, including detailed time-frames[20] for the interaction between the expert review team and the Annex I Party on the basis of experience gained during the trial period in the use of the guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention (decision 6/CP.5) and other relevant decisions of the Conference of the Parties at its sixth session; and to forward any draft decision on this issue

---

[18] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.17 and Corr. 1.

[19] FCCC/SBSTA/2000/xx, FCCC/SBI/2000/xx.

[20] Time frames referred to as bracketed letters such as "[x]" in paragraphs 52, 54, 64 to 70, and 120 to 125 of the guidelines for review under Article 8 of the Kyoto Protocol.

to the Conference of the Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Protocol;

5. [*Requests* the Subsidiary Body for Scientific and Technological Advice to consider, at its sixteenth session, *inter alia*, the size, the composition, criteria for selection, responsibilities, term of service and rotation principle, funding and operational arrangements of the standing group of review experts, as well as the relationship that may exist between such a group and expert review teams, taking into account experience gained during the trial period in the use of the guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention, and to forward any draft decision on this issue to the Conference of Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Protocol.]

Draft decision [-/CMP.1]

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 8 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

Having considered decision _/CP.6, adopted by the Conference of the Parties at its sixth session,

Recognizing the importance of the review process under Article 8 for the implementation of other provisions of the Kyoto Protocol,

1. *Adopts* the guidelines for review under Article 8 of the Kyoto Protocol;[21]

[2. Option 1: *Decides* to start the review prior to the commitment period for each Annex I Party in 2007 or earlier if an Annex I Party reported and requests to be reviewed. The reviews of information under Article 7 prior to the first commitment period, including procedures for adjustments should be completed [for each Annex I Party by the end of 2007][within *x* months after the submissions of the information under Article 7.4];]

[Option 2: *Decides* that for each Annex I Party the review prior to the first commitment period shall be initiated upon receipt of the pre-commitment period report submitted pursuant to Article 7.4, or in 2007, if the Party has not previously submitted that report. The review prior to the commitment period for each Party shall be completed within [9] months of the initiation of the review and for all Parties included in Annex I by the end of 2007.]

---

[21] FCCC/SBSTA/2000/xx.

3. *Decides* to start the periodic review for each Annex I Party when it submits its first national communication under the Kyoto Protocol;

[4. *Decides* to start the annual review [with the first year supplementary information under Article 7.1 is reported] [for each Annex I Party in the year following the review prior to the commitment period for that Party].]

DRAFT GUIDELINES FOR REVIEW UNDER ARTICLE 8 OF THE KYOTO PROTOCOL

PART I: GENERAL APPROACH TO REVIEW

A. Applicability

1. Each Annex I Party to the Convention which is also a Party to the Protocol will be subject to review of information submitted under Article 7 in accordance with the provisions of these guidelines. For these Parties, the review process established under these guidelines shall encompass any existing review under the Convention.

B. Objectives

2. The objectives for review under Article 8 of the Kyoto Protocol are:

(a) To establish a process for a thorough, objective and comprehensive technical assessment of all aspects of the implementation of the Kyoto Protocol by Annex I Parties[22];

(b) To promote consistency and transparency in the review of information submitted by Annex I Parties under Article 7 of the Kyoto Protocol;

(c) To assist Annex I Parties in improving their reporting of information under Article 7 and the implementation of their commitments under the Protocol;

(d) To provide [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the compliance committee][23] with a technical assessment of the implementation of the Kyoto Protocol by Annex I Parties.

C. General approach

3. The provisions of these guidelines shall apply to the review of information submitted by Annex I Parties under Article 7 and relevant decisions of the COP/MOP and relevant decisions by the Conference of the Parties (COP) specific to Annex I Parties.

4. The expert review team shall provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Party of the Kyoto Protocol and identify any potential problems in, and factors influencing, the fulfilment of commitments. The expert review team shall conduct technical reviews to provide information to [the COP/MOP and the compliance committee] in accordance with the procedures in these guidelines.

5. At any stage in the review process, expert review teams may provide questions to, or request additional or clarifying information from, the Annex I Parties regarding a potential

---

[22] For the remainder of this document, unless otherwise stated, "Annex I Parties" refers to Annex I Parties to the Convention which are also Parties to the Protocol.

[23] The term "[the COP/MOP and the compliance committee]" will be replaced appropriately once agreement has been reached in the group on compliance.

problem identified by the team. The expert review team should offer advice to Annex I Parties on how to correct problems that they identify, taking into account the national circumstances of the Annex I Party. The expert review team shall also provide technical advice to [the COP/MOP or the compliance committee], upon its request.

6. Annex I Parties should provide the expert review team with access to information necessary to substantiate and clarify the implementation of their commitments under the Kyoto Protocol, in accordance with relevant guidelines adopted by the COP and/or the COP/MOP and, during the in-country visits, should also provide appropriate working facilities. Annex I Parties should make every reasonable effort to respond to all questions and requests from the expert review team for additional clarifying information relating to identified problems and correcting such problems within the time limits set out in these guidelines.

Questions of implementation

7. If the expert review team identifies potential problems during the review, it shall provide questions to the Annex I Party regarding these potential problems and offer advice to the Annex I Party on how to correct those potential problems. The Annex I Party may correct the problems or provide additional information within the time-frame set out in these guidelines. Subsequently, a draft of each review report shall be forwarded to the Annex I Party subject to review for comment.

8. Only in the case that an unresolved problem [pertaining to a mandatory aspect],[24] still exists after the Annex I Party has been provided the opportunities to correct the problem within the time frames established under the relevant review procedures shall that problem be considered a question of implementation in the final review reports.

Confidentiality

9. Pursuant to a request from the expert review team for additional data or information or access to data used in the preparation of the inventory, an Annex I Party may indicate that any such information and data are confidential. In such a case, the Party [should] provide the basis for this protection under domestic law and upon receipt of assurance that the data will be maintained as confidential by the expert review team, submit the confidential data. Any confidential information and data submitted by an Annex I Party, in accordance with this paragraph, shall be maintained as confidential by the expert review team.

10. An expert review team member's obligation not to disclose confidential information shall continue after termination of his or her service on the expert review team.

---

[24] This bracket pertains to an issue which is also relevant to mechanisms and compliance.

D. Timing and procedures

1. Review prior to the first commitment period

11. Each Annex I Party shall be subject to review prior to the first commitment period.

12. The expert review team shall review for each Annex I Party, prior to the first commitment period:

(a) The base year inventory for conformity with Article 5.2 in accordance with the procedures contained in part II of these guidelines;

(b) The calculation of the [initial] assigned amount[25] pursuant to Articles 3.7, 3.8 and 7.4 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4], in accordance with the procedures contained in part III of these guidelines

(c) The national system pursuant to Article 5.1, in accordance with the procedures contained in part IV of these guidelines;

(d) [The inventory [and the supplementary information for the purpose of ensuring compliance with Article 3] for the most recent year, for conformity with requirements under Articles 5.2 and 7.1, in accordance with the procedures contained in part II of these guidelines;]

(e) [Information necessary for accounting for land-use, land-use change and forestry for conformity with requirements under Article 3.3, 3.4 in accordance with relevant decisions of the COP/MOP;]

(f) The national registry pursuant to Article 7.4, in accordance with the procedures contained in part V of these guidelines;

13. The first NC due under the Convention after the Protocol has entered into force for that Party will be reviewed prior to the first commitment period in accordance with the provisions of paragraph 19.[26]

14. For each Annex I Party, the elements specified in paragraph 12 (a) to (f) above, shall be reviewed in conjunction. An in-country visit shall be conducted as part of this review.

2. Annual review

15. Each Annex I Party shall be subject to an annual review of:

(a) The annual inventory including the national inventory report and the common reporting format (CRF) for conformity with Article 5.2, in accordance with the procedures contained in part II of these guidelines;

---

[25] The term "[initial] assigned amount" will be replaced appropriately once agreement has been reached in the mechanisms group.

[26] This will be the case if this national communication is submitted prior to the first CP.

(b) The supplementary information in accordance with the guidelines for the preparation of the information required under Article 7, section I:

(i) [Information provided during the commitment period for land-use, land-use change and forestry for conformity with requirements under Article 3.3 [and 3.4] and relevant decisions of the COP/MOP, in accordance with the procedures contained in part II of these guidelines];

(ii) Information on assigned amounts [pursuant to Articles 3.7, 3.8 and 7.4], in accordance with the procedures contained in part III of these guidelines];

(iii) Changes in national systems in accordance with the procedures contained in part IV of these guidelines;

(iv) Changes in registries in accordance with the procedures contained in part V of these guidelines;

(v) [Information provided on matters related to Article 3.2, 3.14, and supplementary in accordance with the procedures contained in parts Vbis, Vtir and Vqtr in these guidelines, respectively].

16. The annual review, including adjustment procedures as part of the review of the annual or base year inventory, shall be concluded within one year of the due date of submission of the information to be reported under Article 7.1.

17. Changes in national systems and registries, the elements specified in paragraph 15 (b) (iii) and (iv) above, shall be subject to review as part of the annual review only if problems or significant changes have been identified by an expert review team or if the Annex I Party reports significant changes in its inventory report as defined in paragraphs 102 and [...][27] of these guidelines.

18. The elements described in paragraph 15 above shall be reviewed together for each Annex I Party by a single expert review team.

3. Periodic review

19. Each national communication submitted under the Kyoto Protocol by an Annex I Party shall be subject to a scheduled in-country review in accordance with part VI of these guidelines.[28]

---

[27] Number of paragraph to be inserted which relates to changes in national registries in part V of these guidelines.

[28] It is likely that the fourth national communication is the first national communication under the Kyoto Protocol and that such review will occur prior to the first commitment period: Article 7.3 states that each Annex I Party shall submit the information required under Article 7.2 as part of the first national communication due under the Convention after the Protocol has entered into force for it and after adoption of guidelines for the preparation of information under Article 7. This article also states that the COP/MOP shall determine the frequency of submission of national communications taking into account any timetable for submission of national communications decided upon by the COP. Decision 11/CP.4 requests Annex I Parties to submit a third national communication by 30 November 2001 and subsequent national communications on a regular basis, at intervals of three to five years, to be decided at a future session, and requires that each of those national communications should be subject to an in-depth review coordinated by the secretariat.

E. [Expert review teams and institutional arrangements

Expert review teams

20. Expert review teams for all reviews should be constituted from experts selected on an ad hoc basis from the roster of experts and a standing group of review experts. The standing review group members and the ad hoc review experts shall interact and co-operate in their functioning in accordance with responsibilities as established in relevant decisions of the COP/MOP.

21. For each Annex I Party, each submission under Article 7 shall be assigned to a single expert review team that shall be responsible for performing the review in accordance with procedures and time frames established in these guidelines. Expert review teams formed for the tasks carried out under the provisions of these guidelines may vary in size and composition, taking into account the national circumstances of the Party under review and the different expertise needs of each review task, in accordance with relevant decisions of the COP/MOP.[29]

22. Experts who form the expert review teams shall serve in their personal capacity, shall have recognized competence in the areas to be reviewed according to these guidelines [and shall be funded in accordance with the relevant decision of the COP/MOP]. Without compromising other selection criteria, the formation of an expert review team should ensure [geographical balance] [equitable geographical representation of the five United Nations regional groups, taking into account the interest groups as reflected by the current practice in the UNFCCC bureau] among their members and, to the extent possible, the inclusion of at least one member with the necessary language skills to assess background documentation that may not be available in English.

23. In the conduct of the review, expert review teams shall work on the basis of established and published procedures, including quality assurance and control and confidentiality provisions.

24. Parties shall nominate experts to the roster of experts according to the procedures for such nominations in the relevant decisions of the COP/MOP.

25. No national of an Annex I Party that is reviewed shall be included in the expert review team responsible for any review of that Party.

26. The inventory submission of the same Annex I Party shall not be reviewed in two successive review years by expert review teams in which the composition of experts.

Standing group of review experts

27. The standing group of review experts shall provide for continuity, comparability and timeliness of the review. The members of the standing group of review experts shall be nominated by Parties to the roster of experts for that purpose. The size, composition, criteria for selection, responsibilities and operational arrangements of the standing group of review experts,

---

[29] The COP may recommend a decision to the COP/MOP on this issue when the trial period established under decision 6/CP.5 is completed, when the COP adopts a final decision related to possible review guidelines of national communications as considered in the conclusions of the SBI at its tenth session (FCCC/SBI/2000/5, para. 24 (c)) and when these guidelines for review under Article 8 of the Kyoto Protocol are completed.

including the term of service and the rotation shall be established in accordance with the relevant decisions of the COP/MOP.

28. The constitution of the standing group of review experts shall be guided by the following principles: capacity, independence and [equitable geographical representation of the five United Nations regional groups, taking into account the interest groups as reflected by the current practice in the UNFCCC bureau] [geographical balance][a majority of Annex I Parties] among the members.

29. To provide that the above-mentioned principles are consistently applied, it shall be ensured that:

(a) Experts must successfully undergo an assessment of their competence in their relevant fields taking into account that complementary training is offered to nominated experts to enable them to qualify for participation in the review process and carry out specific tasks;

(b) Experts are selected on the basis of their expertise and of subparagraph (a) above.

(c) Funding for experts is managed in such a way as to ensure independence of the experts [and Parties providing financial resources in accordance with the relevant decisions of the COP/MOP].

Ad hoc review experts

30. Ad hoc review experts shall be selected for specific annual or periodic reviews. They shall serve on review tasks during part of the year in accordance with the commitments set out in their nomination.

31. Ad hoc review experts shall perform desk review tasks in their home countries. They shall also participate in in-country visits and in review meetings with the standing review group.

32. The criteria in paragraph 29 above shall apply also to the ad hoc review experts.]

F. Reporting and publication

33. The expert review team shall, under its collective responsibility, produce review reports.

34. Review reports for each Annex I Party shall follow a comparable format and outline as set out in paragraph 35 below shall and include the specific elements described in parts II to VI of these guidelines.

35. All final review reports prepared by the expert review team, except for status reports, shall include the following elements:

(a) An introduction and summary;

(b) A description of the technical assessment of each of the elements reviewed according to the relevant sections on the scope of the review in parts II to VI of these guidelines, including:

(i) A description of any potential problems in, and factors influencing the fulfilment of commitments, identified during the review;

(ii) Any recommendations provided by the expert review team to solve the potential problems;

(iii) An assessment of any efforts by the Annex I Party to address any potential problems identified by the expert review team during the current review or during previous reviews that have not been corrected.

(iv) Any questions of implementation of the commitments under the Kyoto Protocol;

(c) Possible recommendations by the expert review team on the conduct of the review in subsequent years, including which parts may need to be considered in more depth;

(d) Information on any other issue of concern deemed relevant by the expert review team;

(e) The sources of information used in the formulation of the final report.

36. For the review prior to the commitment period, for each Annex I Party, a report on the review of the elements described in paragraph 12 (a) to (f) above shall be produced.

37. For the annual review, for each Annex I Party, a report on the annual review of the elements in paragraph 15 shall be produced in accordance with parts II, III, IV and V of these guidelines. A status report after the initial check of the annual inventory shall be prepared separately.

38. For the periodic review, for each Annex I Party, a report on the review of the national communication shall be produced.

39. Following their completion, all final review reports, including status reports on initial checks on annual inventories, shall be published by the secretariat and forwarded through the secretariat to [the COP/MOP and the compliance committee] and the Party concerned.

PART II: REVIEW OF ANNUAL INVENTORIES

A. Purpose

40. The purpose of the review of Annex I Parties' annual inventories is:

(a) To provide an objective, consistent, transparent, thorough and comprehensive technical assessment of annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for conformity with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*[30] as elaborated by the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and*

[30] In these guidelines the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* are referred to as the IPCC Guidelines.

Uncertainty Management in National Greenhouse Gas Inventories[31] and any good practice guidance adopted by the COP/MOP, and with the guidelines for the preparation of the information required under section I of Article 7;

(b) To assess if adjustments under Article 5.2 may be needed and, if so, to calculate adjustments in accordance with relevant decisions of the COP/MOP relating to Article 5.2 of the Kyoto Protocol;

(c) To ensure that [the COP/MOP and the compliance committee] have reliable information on each Annex I Party's annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol.

B. General procedures

41. The review should cover:

(a) The annual inventory, including the national inventory report and the common reporting format (CRF);

(b) Supplementary information under Article 7.1 incorporated in its national inventory according to section I.D, greenhouse gas inventory information, of the guidelines for the preparation of the information required under Article 7.

42. The annual inventory review shall consist of two elements:

(a) Initial check by the expert review team, with the assistance of the secretariat;

(b) Individual inventory review by the expert review team.

43. The individual inventory review shall occur in conjunction with the review of assigned amount, changes in national systems, changes in national registries as set out in part I of these guidelines.

44. The base year inventory shall be reviewed only once prior to the commitment period and adjusted if appropriate.

45. The annual inventory review should be conducted as a desk review. In addition, each Annex I Party shall be subject to at least one in-country visit by an expert review team during the commitment period as part of its annual review.

46. In-country visits should be scheduled, planned and take place with the consent of the Annex I Party subject to review.

47. In years when an in-country visit is not scheduled, an expert review team can request an in-country visit if it believes, based on the findings of the desk review, that such a visit is necessary to allow for fuller investigation of a potential problem that the team has identified, subject to the consent of the Annex I Party. The expert review team shall provide a rationale for

---

[31] In these guidelines the IPCC report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* is referred to as the IPCC good practice guidance.

the additional country visit and shall compile a list of questions and issues to be addressed during the country visit to be sent to the Annex I Party in advance of the visit.

48. If an unscheduled in-country visit occurs, then the expert review team may recommend that a pending scheduled in-country visit is not necessary.

49. If an Annex I Party fails to provide to the expert review team the data and information necessary for the assessment of conformity with the IPCC guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP, the expert review team shall assume that the estimate was not prepared in accordance with the IPCC guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

C. Initial checks of annual inventories

Scope of the review

50. The expert review team shall conduct an initial check as a desk review to examine that each Annex I Party has submitted a consistent, complete and timely annual inventory, including the national inventory report and the common reporting format (CRF) and that data contained in the CRF are complete by means of computerized analysis and checks and in the correct format to enable subsequent review stages to occur.

51. The initial check shall identify whether:

(a) The submission is complete and information has been provided in the correct format in accordance with reporting guidelines on annual inventories.

(b) All sources, sinks and gases included in the IPCC Guidelines and any good practice adopted by the COP/MOP are reported;

(c) Any gaps are explained by use of notation keys, such as NE (not estimated), NA (not applicable), in the CRF and whether there is frequent use of these notation keys;

(d) Methodologies are documented with notations in the CRF;

(e) Estimates for carbon dioxide (CO_2) emissions from fossil fuel combustion are reported using the IPCC reference approach, in addition to estimates derived using national methods;

(f) Estimates for hydrofluorocarbon, perfluorocarbon and sulphur hexafluoride emissions are reported by individual chemical species.

(g) A Party failed to submit an annual inventory or the national inventory report or the common reporting format by the due date, or within 6 weeks of the due date;

(h) A Party failed to submit an estimate for a source category, as defined in chapter 7 of the IPCC good practice guidance, that individually accounted for [5] per cent or more of the Annex I Party's total anthropogenic GHG emissions of sources in Annex A of the Kyoto

Protocol for the most recent year in the latest submitted inventory containing an estimate for that source category.

Timing[32, 33]

52. The initial check for each Annex I Party shall be performed and a draft status report shall be completed within [6-x] weeks after the submission due date of the annual inventory and sent to the Annex I Party for comment. A delay in the preparation of the draft status report shall not shorten the time available for the Annex I Party to comment on the draft status report. The secretariat shall immediately notify the Annex I Party concerned of any omissions or technical format problems identified in the initial check.

53. Any information, corrections, additional information or comments on the draft status report received from the Annex I Party within 6 weeks of the submission due date shall be subject to an initial check and shall be covered in the final status report. A delay in the submission of the annual inventory shortens the time available for the Annex I Party to comment on the draft status report.

54. The status report of the initial check for each Annex I Party shall be finalized within [6+y] weeks from the submission due date to be used in the individual inventory review.

Reporting

55. The status report shall include *inter alia*:

(a) The date of receipt of the inventory submission by the secretariat;

(b) An indication whether the annual inventory, including the national inventory report and the CRF, has been submitted;

(c) An indication whether any source category or gas of a source category is missing and, if so, an indication of the magnitude of the likely emissions of that source category or gas, if possible relative to the last inventory for which the review has been completed;

(d) Whether a Party failed to submit an annual inventory or the national inventory report or the common reporting format by the due date, or within 6 weeks of the due date;

(e) Whether a Party failed to submit an estimate for a source category, as defined in Chapter 7 of the IPCC good practice guidance, that individually accounted for 5 per cent or more of the Annex I Party's total anthropogenic GHG emissions of sources in Annex A of the Kyoto Protocol for the most recent year in the latest submitted inventory containing an estimate for that source category.

---

[32] The time-frames referred to as x and y in paragraphs 52 and 54 will be decided according to the decision accompanying these guidelines.

[33] For review prior to the commitment period, the time-frames for the initial check may serve as an indication.

D. Individual inventory reviews

Scope of the review

56. The expert review team shall, *inter alia*:

(a) Examine application of the requirements of the IPCC Guidelines and the reporting guidelines on annual inventories and relevant decisions of the COP/MOP and identify any departure from these requirements;

(b) Examine whether the IPCC good practice guidance and any other good practice guidance adopted by the COP/MOP was applied and documented, in particular noting the identification of key source categories, selection and use of methodologies and assumptions, development and selection of emission factors, collection and selection of activity data, reporting of consistent time-series, reporting of uncertainties related to inventory estimates and methodologies used for estimating those uncertainties and identify any inconsistencies;

(c) Compare emission or removal estimates, activity data, implied emission factors and any recalculations with data from previous submissions of the Annex I Party to identify any irregularities or inconsistencies;

(d) Compare the Annex I Party's activity data with relevant external authoritative sources, if feasible, and identify sources where there are significant differences;

(e) Assess the consistency of information in the common reporting format with that in the national inventory report;

(f) Assess the extent to which issues and questions raised by expert review teams in previous reports have been addressed and resolved;

(g) Recommend possible ways for improving the estimation and the reporting of inventory information.

57. The expert review team may use relevant technical information in the review process, such as information from international organizations and other sources.

58. The secretariat shall, under the direction of the expert review team, conduct a standardized set of data comparisons to be performed on the electronic common reporting format submissions to be used in the review process.

Identification of problems

59. The individual inventory review shall identify any problems for which adjustments under Article 5.2 would be appropriate and initiate procedures for calculation of adjustments.

60. Problems should be identified as a failure to follow agreed guidelines under Article 5.2 in preparing greenhouse gas inventories, as a failure to follow section one of the guidelines for the preparation of the information required under Article 7, [and as a failure to follow agreed methodologies for estimating and reporting activities under Article 3.3 and 3.4 as adopted by the COP/MOP]. These may be further subdivided as problems of:

(a) Transparency, as defined in the UNFCCC reporting guidelines on annual inventories,[34] including:

(i) Inadequate documentation and description of methodologies, assumptions and recalculations;

(ii) Failure to disaggregate national activity data, emission factors and other factors used in national methods at the required level;

(iii) Failure to provide justifications for recalculations, references and information sources for key factors and data;

(b) Consistency, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Failure to provide consistent time-series in accordance with the IPCC good practice guidance;

(c) Comparability, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to use agreed reporting formats;

(d) Completeness, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Gaps in the inventory estimates for source categories or gases;

(ii) Inventory data that do not provide full geographic coverage of sources and sinks of an Annex I Party;

(iii) Failure to provide full coverage of sources in a source category;

(e) Accuracy, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Failure to provide estimates of uncertainty and address uncertainty through the application of the good practice.

61. The expert review team shall calculate the magnitude of any adjustment as:

(a) The percentage to which the aggregate adjusted greenhouse gas emissions for an Annex I Party exceed the aggregate submitted emissions, defined as aggregate submitted emissions of gases and sources listed in Annex A of the Kyoto Protocol, for any single year;

(b) The percentage to which the cumulative aggregate adjusted greenhouse gas emissions for these years of the commitment period already reviewed, exceed the cumulative aggregate submitted emissions for those years, defined as aggregate submitted emissions of gases and sources listed in Annex A of the Kyoto Protocol, for any two or more years of the

---

[34] Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories (document FCCC/CP/1999/7) or any subsequent revision of these guidelines by the COP.

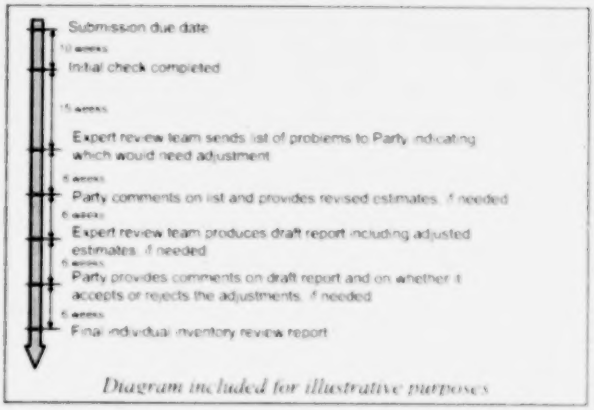
commitment period.

62. The expert review team shall identify whether the same key source category as defined in Chapter 7 of the IPCC good practice guidance was adjusted in previous reviews and, if so, the ERT shall provide the number of reviews that identified and adjusted the problem previously.

Timing[35]

63. The individual inventory review, including adjustment procedures, shall be concluded within one year of the due date of submission of the information to be reported under Article 7.1.

64. The expert review team shall list all problems identified, indicating which would need an adjustment, and send this list to the Annex I Party no later than [*a*] weeks from the submission due date of the annual inventory, if the inventory was submitted at least six weeks after the submission due date.


Submission due date
10 weeks
Initial check completed
15 weeks
Expert review team sends list of problems to Party, indicating which would need adjustment
6 weeks
Party comments on list and provides revised estimates, if needed
6 weeks
Expert review team produces draft report including adjusted estimates, if needed
6 weeks
Party provides comments on draft report and on whether it accepts or rejects the adjustments, if needed
6 weeks
Final individual inventory review report
Diagram included for illustrative purposes

65. The Annex I Party shall comment on these questions within [*b*] weeks and, where requested by the review team, may provide revised estimates.

66. The expert review team shall prepare a draft individual inventory review report, which includes, where appropriate, adjusted estimates calculated according to guidance under Article 5.2 within [*c*] weeks of the receipt of the comments on the questions posed and shall send the draft report to the Party concerned.

67. The Annex I Party shall be provided with [*d*] weeks to comment on the draft individual inventory review report and, where appropriate, on whether it accepts or rejects the adjustment.

68. The expert review team shall prepare a final individual inventory review report within [*e*] weeks of the receipt of the comments on the draft report.

69. The Annex I Party shall comment on the draft individual inventory review report and where appropriate, on whether it accepts or rejects the adjustment within [*f*] weeks.

70. If an Annex I Party during the above steps is able to comment earlier than in the above given time-frames, the Annex I Party may use the saved time to comment on the revised final report. A total of [*g*] additional weeks to comment may be granted to Parties whose national language is not one of the United Nations official languages.

---

[35] The time-frames referred to as *a* to *g* in paragraphs 64-70 will be decided according to the decision accompanying these guidelines.

Procedures for adjustments under Article 5.2

71. Adjustments referred to in Article 5.2 of the Kyoto Protocol shall be applied only when inventory data submitted by Parties included in Annex I to the Convention are found to be incomplete and/or are prepared in a way that is not consistent with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

72. The procedure for the calculation of adjustments should be as follows:

(a) During the individual inventory review, the expert review team shall identify problems to which the criteria in the guidance for adjustments under Article 5.2 apply. The expert review team shall officially notify the Annex I Party of the reason why an adjustment is considered necessary and provide advice on how the problem could be corrected;

(b) The adjustment procedure should only commence after an Annex I Party has had opportunities to correct a problem and if the expert review team finds that an Annex I Party has not adequately corrected the problem through the provision of an acceptable revised estimate, in accordance with the time-frames set out in paragraphs 64 to 70 above;

(c) The expert review team shall calculate adjustments in accordance with any guidance under Article 5.2 adopted by the COP/MOP, in consultation with the Annex I Party concerned and within the time-frame set out in these guidelines;[36]

(d) The expert review team shall officially notify the Annex I Party concerned of the calculated adjustment(s) within the time-frame set out in these guidelines. This notification shall describe the assumptions, data and methodologies used to calculate the adjustment(s), as well as the value of the adjustment(s);

(e) Within the time-frame set out in these guidelines, the Annex I Party concerned shall notify the secretariat of its intention to accept or reject the adjustment(s), with its rationale. Failure to respond by this date shall be considered as acceptance of the adjustment(s), as follows:

(i) If the Annex I Party accepts the adjustment(s), the adjustments shall be applied for the purpose of [compilation and accounting of emissions inventories and assigned amounts] [annual compilation of amounts that contributed to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitments under Article 3];

(ii) If the Annex I Party disagrees with the proposed adjustment(s) it should send a notification to the expert review team, including its rationale, and the expert review team should send the notification along with its recommendation in its final report to [the COP/MOP and the compliance

---

[36] Special arrangements in the composition of the expert review teams may be needed for the case where an adjustment needs to be calculated. This may be addressed in the context of a possible decision on the institutional arrangements of the expert review teams, see Annex II, page 36, paragraph 5, of this document.

committee], which will resolve the disagreement in accordance with the procedures and mechanisms related to compliance.

73. An Annex I Party may submit a revised estimate for a part of its inventory of a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012.

74. Subject to a review under Article 8 and the acceptance of the revised estimate by the expert review team, the revised estimate shall replace the adjusted estimate. In the event of a disagreement between the Annex I Party and the expert review team regarding the revised estimate, the procedure set out in paragraph 72 (e) (ii) above shall be followed. The option for an Annex I Party to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Annex I Parties from making best efforts to correct the problem at the time it was initially identified and in accordance with the time-frame set forth in the guidelines for review under Article 8.

Reporting

75. The final individual inventory review report shall follow the outline set out in paragraph 35 and shall include the following specific elements, where relevant:

(a) A summary of the review results of the inventory, including a description of emission trends, key sources and methodologies and a general assessment of the inventory;

(b) Identification of any inventory problems according to the categories listed in paragraph 60 and 62 and a description of factors influencing the Annex I Party's fulfilment of its inventory-related obligations;

(c) Information on adjustments, if applicable, including, *inter alia*,

(i) The original estimate, if applicable;

(ii) The underlying problem;

(iii) The adjusted estimate;

(iv) The rationale for the adjustment;

(v) The assumptions, data and methodology used to calculate the adjustment;

(vi) A description of how the adjustment is conservative;

(vii) The expert review team's identification of possible ways for the Annex I Party to address the underlying problem;

(viii) Magnitude of adjustments as identified under paragraph 61 above;

[(viii bis) Recurrence of adjustments as identified under paragraph 62 above;]

(ix) An indication whether the adjustment was agreed upon by the Annex I Party and the expert review team.

[[PART III: REVIEW OF INFORMATION ON ASSIGNED AMOUNTS] [PART III: REVIEW OF INFORMATION ON ANNUAL COMPILATION OF AMOUNTS THAT CONTRIBUTE TO THE COMPLIANCE OF A PARTY INCLUDED IN ANNEX I WITH THE QUANTIFIED EMISSION LIMITATION AND REDUCTION COMMITMENT UNDER ARTICLE 3]

A. Purpose

76. The purpose of the review of information on assigned amounts is to ensure that [the COP/MOP and the compliance committee] have adequate information on assigned amounts.

B. General procedures

77. The review of information on assigned amounts shall take place in conjunction with the annual inventory review.

78. The expert review team shall review the information on assigned amounts as a centralized desk exercise.

C. Scope of the review

79. The review of information on assigned amounts shall cover the information reported in accordance with section I.E of the guidelines for the preparation of information under Article 7, including:

(a) *(All sub-headings of that section to be included here once agreed.)*

Identification of problems

80. The expert review team shall:

(a) Check if information is complete and submitted in accordance with section I of the guidelines for the preparation of information required under Article 7, and relevant decisions of the COP;

(b) Check that issuance of assigned amount pursuant to Article 3.7 and 3.8 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4] is calculated in accordance with requirements under Article 7.4, is consistent with reviewed and adjusted inventory estimates, [is consistent with information submitted in previous years] and is serialized in conformity with procedures under Article 7.4;

(c) Cross-check the reported information on transfers and acquisitions between Parties [and highlight any discrepancies];

(d) [Check that issuance and cancellation of assigned amount pursuant to Article 3.3 and 3.4 is calculated in accordance with requirements under Article 7.4, is consistent with reviewed and adjusted inventory estimates and is serialized in conformity with procedures under

Article 7.4.]

D. Timing

81. During the review of the information on assigned amounts, the expert review team shall identify problems and shall notify the Annex I Party of the problems. The Annex I Party may correct the problems or provide additional information within the time-frame set out in these guidelines (see paragraphs 63 to 70).

E. Reporting

82. The information on the review of information on assigned amounts shall be integrated into the annual review report for each Annex I Party, which is published by the secretariat and forwarded to [the COP/MOP and the compliance committee] and the Party concerned. The report shall, in addition to elements outlined in paragraph 35, include the following specific elements:

(a) Identification of problems according to the categories listed in paragraph 80.

(b) For each problem, a quantitative indication of the magnitude of the part of the assigned amount affected by the problem expressed in terms of CO_2 equivalents in relation to the total initial assigned amount.]

[PART III BIS: ANNUAL COMPILATION AND ACCOUNTING OF EMISSION INVENTORIES AND ASSIGNED AMOUNTS]

[PART III BIS: ANNUAL COMPILATION OF AMOUNTS THAT CONTRIBUTE TO THE COMPLIANCE OF A PARTY INCLUDED IN ANNEX I WITH THE QUANTIFIED EMISSION LIMITATION AND REDUCTION COMMITMENT UNDER ARTICLE 3]

(Parties have suggested to move this part IIIbis to the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol. Some Parties have suggested to move it to section I, "Reporting of supplementary information under Article 7.1", some suggested to move it to section III, "Modalities for accounting for assigned amount under Article 7.4".)

A. Purpose

83. The purpose of the annual compilation [and accounting of emissions inventories and assigned amounts] [of amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3] is to ensure that [the COP/MOP and the compliance committee] have [adequate][thorough and comprehensive] information [on emissions inventories and assigned amounts for each year of the commitment period] [for assessing the fulfilment of commitments under Article 3.1].

B. General procedures

84. The annual compilation [and accounting of emissions inventories and assigned amounts] [of amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3] shall occur for each Annex I Party after its individual inventory and assigned amount reviews have been completed and after resolution of any compliance-related matters which affect the inventory and [assigned amounts] [amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3].

85. The secretariat shall establish a database to compile and account for the emissions and [assigned amounts] [amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3] of Parties. The secretariat shall maintain a separate account for each Party included in Annex I for each commitment period.

86. The information maintained in each Party's commitment period account shall be used for determining compliance with Article 3.1 commitments upon expiration of the true-up period. Determination of compliance shall be based on comparison of the Party's cumulative emissions over the commitment period from the sectors and source categories specified in paragraph 87 (c) below with the Party's total [assigned amount retired] [amounts for compliance with commitments established under paragraph 1 of Article 3] for the commitment period as specified in paragraph 89 [(i)] [(g)] below.

C. Scope

87. The secretariat shall record [in each Annex I Party's account] [for each Party included in Annex I] the following information in units of CO_2 equivalent:

(a) Aggregate annual emissions of greenhouse gases and from sectors and source categories listed in Annex A to the Protocol for each year of the commitment period that has been subject to an annual review;

(b) Any adjustments under Article 5.2 applied for each year, recorded as the difference between the adjusted estimate and the submitted inventory estimate;

(c) Cumulative emissions of greenhouse gases listed in Annex A to the Protocol in the commitment period calculated as the sum of the amounts defined in subparagraphs (a) and (b) above for all years of the commitment period that have been subject to an annual review;

88. [Additionally, when a Party has issued or cancelled assigned amount pursuant to Article 3.3 or 3.4, the secretariat shall record in the Party's account the following inventory information in units of CO_2 equivalent:

(a) Greenhouse gas emissions or removals under Article 3.3 and 3.4;

(b) Any adjustments to Article 3.3 or 3.4 estimates, recorded as the difference between the adjusted estimate and the submitted estimate.]

89. The secretariat shall [record in each Party's account the following assigned amount information] [calculate for each Annex I Party the following information on compliance with commitment established under paragraph 1 of Article 3]:

(a) [Initial] assigned amount established pursuant to Article 3.7 and 3.8 [and for Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as set out in their agreement in accordance with Article 4];

(b) Any assigned amount carried over from the previous commitment period pursuant to Article 3.13;

(c) [Any assigned amount issued pursuant to Article 3.3 or 3.4] [Any anthropogenic removals by sinks pursuant to Article 3.3 or 3.4];

(d) [Any assigned amount cancelled pursuant to Article 3.3 or 3.4] [Any anthropogenic emissions by source pursuant to Article 3.3 or 3.4];

(e) [Any assigned amount acquired pursuant to Articles [4,] 6,12 or 17] [Any emission reductions units or any part of assigned amount acquired pursuant to Article 3.10, and any certified emission reductions acquired pursuant to Article 3.12];

(f) [Any assigned amount transferred pursuant to Articles [4,] 6 or 17] [Any emission reductions units or any part of assigned amount transferred pursuant Article 3.11];

(g) Total [assigned amount, calculated as the sum total of the amounts defined in subparagraphs (a)-(f) above] [amount for compliance with commitments established under paragraph 1 of Article 3, calculated as the sum of the amounts defined in subparagraphs (a), (b), (c) and (e) above minus the sum of subparagraphs (d) and (f)];

(h) [Any assigned amount retired each year;]

(i) [Total assigned amount retired during the commitment period.]

90. Where a Party has submitted recalculated estimates of anthropogenic greenhouse gas emissions by sources or anthropogenic greenhouse gas removals by sinks for a previous year or years of the same commitment period, the secretariat shall, subject to review under Article 8 [with the authorization of [the COP/MOP or the compliance committee]], amend a Party's annual aggregate greenhouse gas emissions from the previous year(s) and, where relevant, remove an adjustment that was previously applied.

91. [At][After] the end of the true-up period, [, upon resolution of compliance related matters] the secretariat shall conduct the final compilation and accounting of emissions inventories and [assigned amounts] [total amount for compliance with commitments established under Article 3.1].

92. Upon expiration of the true-up period, the secretariat shall, at the request of a Party, [remove any assigned amount in excess of the Party's aggregate emissions from sources listed in Annex A during the commitment period from the Party's current account, and record the assigned amount in the Party's account for the subsequent commitment period pursuant to Article 3.13] [record the difference of the Party's aggregate emissions from sources listed in

Annex A during the commitment period and its assigned amount, and carry it over for the subsequent commitment period pursuant to Article 3.13, if the assigned amount exceeds the emissions].

93. [If the Party included in Annex I has transferred part of its assigned amount pursuant to Article 3.11, the amount added for the subsequent commitment period shall be the amount defined in paragraph 92 above subtracted of any part of assigned amount transferred pursuant to Article 3.11 for the current commitment period].

D. Reporting

94. For each Annex I Party, a report on the annual compilation and accounting of emissions [inventories and assigned amounts] [and amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3] shall be produced and forwarded to [the COP/MOP and the compliance committee] and the Party concerned.

95. A single report on the final compilation and accounting of [assigned amounts] [amounts that contribute to the compliance with the quantified emission limitation and reduction commitment under Article 3 and amounts to be added for the subsequent commitment period] shall be published after the end of the true-up period for each Party included in Annex I and forwarded to [the COP/MOP and the compliance committee].]

PART IV: REVIEW OF NATIONAL SYSTEMS

A. Purpose

96. The purpose of the review of national systems is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national system and the adequacy of its institutional, legal and procedural arrangements to produce an inventory of anthropogenic emissions by sources and removals by sinks in conformity with Article 5.2;

(b) To assess the extent to which the guidelines for national systems under Article 5.1 have been adhered to, especially any mandatory elements, and to assist Annex I Parties in meeting their commitments under Article 5.1;

(c) To provide [the COP/MOP and the compliance committee] with reliable information on national systems established under Article 5.1;

B. General procedures

97. The review of national systems shall take place in two parts:

(a) A thorough review of the national system, including an in-country visit;

(b) A desk review of any reported changes in the national system reported since the first thorough review, conducted in conjunction with the annual inventory review.

98. The thorough review of national systems should be conducted as an in-country visit as part of the pre-commitment period review.

99. The review of national systems shall be conducted, as appropriate, through interviews with personnel involved in inventory planning, preparation and management, and through examination of relevant records and documentation, including use of the inventory CRF and preparation of the national inventory report.

100. Based on any findings during the individual inventory review and on findings related to reported changes in national systems considered by the expert review team to be potentially significant in relation to an identified problem in the Party's inventory, the expert review team may request an additional country visit to review the relevant components of the national system in conjunction with an in-country inventory review.

C. Scope of the review

In-country review

101. The expert review team shall conduct a thorough and comprehensive review of each Annex I Party's national system. The review of national systems should cover:

(a) Activities undertaken by the Party to implement, and performance of, mandatory general functions described in paragraph 10 of the guidelines for national systems,[37] and mandatory specific functions related to inventory planning, preparation and management in accordance with paragraphs 12, 14 and 16 of those guidelines;

(b) Activities undertaken by the Party to implement, and performance of, functions related to inventory planning, preparation and management as specified in non-mandatory language in paragraphs 13, 15 and 17 in the guidelines for national systems;

(c) Reported and archived information on national systems in accordance with guidelines under Articles 5.1 and 7, including plans and internal documentation related to the functions mentioned in subparagraphs (a) and (b) above.

Review of changes in national system

102. Any significant changes in the functions of the national systems reported by Annex I Parties or identified by the expert review team during the in-country visit that may affect the preparation of greenhouse gas inventories in conformity with Article 5.2 and the guidelines for national systems should be reviewed annually in conjunction with the annual inventory review. The scope of such a review shall follow the scope set out for the in-country review according to paragraph 101 above.

---

[37] The guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5.1 of the Kyoto Protocol are referred to as "guidelines for national systems" in this document. The full text of those guidelines can be found in document FCCC/SBSTA/2000/5 (annex I).

Identification of problems

103. The expert review team shall assess whether the Party has established and maintained the specific inventory planning components covered in paragraph 12 of the national systems guidelines, on the basis of a review of the information provided on the national system under Article 7 and any additional information gathered.

104. The expert review team shall assess whether the Party has completed the inventory preparation components covered in paragraph 14 (a) and (d) of the national systems guidelines, on the basis of the review of the information provided on the national system under Article 7 and any additional information gathered.

105. The expert review team shall assess whether the inventory preparation components covered in paragraph 14 (c), (e) and (g) of the national systems guidelines are functioning adequately, on the basis of an assessment of the most recent annual inventory, its consistency with good practice, and any additional information gathered.

106. The expert review team shall assess whether the Party has archived inventory information according to the provisions of paragraphs 16 [and 17] of the national systems guidelines as part of its inventory management. The expert review team shall assess whether the archiving is functioning adequately on the basis of an assessment of

(a) The completeness of archived information for a sample of source categories as chosen by the expert review teams, including key source categories, as defined in accordance with IPCC good practice guidelines; and

(b) The ability of the Party to respond in a timely manner to requests for clarifying inventory information resulting from the different stages of the review process of the most recent inventory.

107. Based on the assessment carried out in accordance with paragraphs 103 to 106 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments related to the functions of national systems according to paragraphs [10 to 17][10, 12, 14 and 16] of the guidelines for national systems. This provision shall apply for both in-country reviews and reviews of changes in national systems.

D. Timing

108. The process of the in-country review shall follow the timetable for the review of the Party's national communication defined in part VI of these guidelines. The process of review of changes in the national system shall follow the timetable for the review of national inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

E. Reporting

109. The final national system review report shall be included in the review report prior to the commitment period, follow the outline set out in paragraph 35 and include the following specific elements:

(a) An evaluation of the overall organization of the national system, including discussion of the effectiveness and reliability of the institutional, procedural and legal arrangements for estimating GHG emissions;

(b) A technical assessment of the performance of each of the national system functions defined in paragraphs 10 to 17 of the guidelines for national systems, including an assessment of the system's strengths and weaknesses;

(c) Any recommendations by the review team for further improvement of the Party's national system.

110. The results of the review of changes in national systems shall be included in the individual inventory review report and, where relevant, should cover the same elements as specified for the national system review report in paragraph 109 (a) to (c) above.

PART V: REVIEW OF NATIONAL REGISTRIES

A. Purpose
B. General procedures
C. Scope of the review

111. [The expert review team should assess:

(a) The extent to which the guidelines for national registries have been adhered to, especially any mandatory elements;

(b) Whether accounts have been established in the national registries for all legal entities.]

D. Timing
E. Reporting
(to be elaborated)

[PART V BIS: REVIEW OF INFORMATION UNDER ARTICLE 3.2

A. Purpose
B. General procedures
C. Scope of the review
D. Timing
E. Reporting
(to be elaborated)

PART V TER: REVIEW OF INFORMATION UNDER ARTICLE 3.14

A. Purpose
B. General procedures
C. Scope of the review
D. Timing
E. Reporting
(to be elaborated)

PART V QTR: REVIEW OF INFORMATION ON SUPPLEMENTARITY PURSUANT TO ARTICLE 17

A. Purpose
B. General procedures
C. Scope of the review
D. Timing
E. Reporting
(to be elaborated)]

PART VI: REVIEW OF NATIONAL COMMUNICATIONS AND INFORMATION ON OTHER COMMITMENTS UNDER THE PROTOCOL

A. Purpose

112. The purpose of the guidelines on the review of national communications of Annex I Parties, including information reported under Article 7.2, is:

(a) To provide a thorough and comprehensive technical assessment of national communications and information reported under Article 7.2 of the Kyoto Protocol;

(b) To examine in an objective and transparent manner whether quantitative and qualitative information was submitted by Annex I Parties in accordance with section II of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol;

(c) To promote consistency in the review of the information contained in the national communications, including information reported under Article 7.2, for Annex I Parties;

(d) To assist Parties included in Annex I to improve reporting of information under Article 7.2 and the implementation of their commitments under the Protocol;

(e) To ensure that [the COP/MOP and the compliance committee] have reliable information on each Annex I Parties implementation of commitments under the Kyoto Protocol.

B. General procedures

113. Supplementary information under Article 7.2 shall be incorporated into the national communications and shall be reviewed as part of the review of the communications. Each

national communication submitted under the Kyoto Protocol by an Annex I Party shall be subject to a scheduled in-country periodic review.

114. Prior to the in-country visit, the expert review team shall conduct a desk review of the Party's national communication. The review team shall notify the Party concerned of any questions the team has regarding the national communication and of any focal areas for the in-country visit.

C. Scope of the review

115. The review of the national communication shall also cover supplementary information reported under Article 7.2.

116. The individual review shall:

(a) Provide an assessment of the completeness of the national communication, including supplementary information reported under Article 7.2, in accordance with the reporting requirements under Article 7.2 and an indication of whether it was submitted on time;

(b) Provide for a detailed examination of each part of the national communication, as well as procedures and methodologies used in the preparation of the information, such as:[38]

(i) National circumstances relevant to greenhouse gas emissions and removals;

(ii) Policies and measures;

(iii) Projections and the total effect of policies and measures;

(iv) Vulnerability assessment, climate change impacts and adaptation measures;

(v) Financial resources and transfer of technology;

(vi) Research and systematic observation;[39]

(vii) Education, training and public awareness;

(c) Provide a detailed examination of supplementary information provided under Article 7.2:[40]

(i) [Mechanisms pursuant to Articles 6, 12 and 17;]

(ii) [Supplementary information relevant to Article 3;]

---

[38] Headings of the national communication according to the UNFCCC reporting guidelines on national communications with the exception of "greenhouse gas inventory information" (see document FCCC/CP/1999/7).

[39] Information provided under this heading includes a summary of the information provided on global climate observation systems.

[40] Headings of the guidelines for the preparation of the information required under Article 7, section II (see annex II to this document), with the exception of "National registries" and "National systems in accordance with Article 5.1", which are covered in parts IV and V of these guidelines.

(iii) [Joint fulfilment of commitments in accordance with Article 4;]

(iv) Policies and measures in accordance with Article 2;

(v) Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures;

(vi) Information under Article 10;

(vii) Financial resources;

(d) Identify any potential problems in and factors influencing, the fulfilment of commitments related to each part of the national communication and to the reporting of supplementary information under Article 7.2.

117. All common elements in paragraph 116 (b) and (c) above are to be reviewed in conjunction.

Identification of problems

118. The problems identified during the assessment related to individual sections of the national communication, including supplementary information reported under Article 7.2, shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

119. Failure to submit any section of the national communication shall be considered as a potential problem.

D. Timing

120. If an Annex I Party expects difficulties with the timeliness of its national communication submission, it should inform the secretariat before the due date of the submission. If the national communication is not submitted within [*h*] weeks after the due date, the delay shall be brought to the attention of [the COP/MOP and the compliance committee] and made public.

121. The expert review teams shall make every effort to complete the individual review of national communications within two years of the national communication submission for each Annex I Party.[41]

122. If additional information is requested during the in-country visit, it should be provided by the Annex I Party within [*i*] weeks after the visit.

---

[41] The time-frames referred to as *h* to *l* in paragraphs 120 to 125 will be decided according to the decision accompanying these guidelines.

123. The expert review team for each Annex I Party shall, under its collective responsibility, produce a draft of the national communication review report following the format below to be finalized within [*j*] months after the in-country visit.

124. The draft of each national communication review report will be sent to the Annex I Party subject to review for comment. The Party shall be provided with [*k*] weeks of receipt of the draft report to provide comments within.

125. The expert review team shall produce the finalized national communication review report taking into account the Party's comments within [*l*] weeks of receipt of the comments.

E. Reporting

126. The final national communication review report shall follow the outline set out in paragraph 35 and shall include a technical assessment of the elements specified in paragraph 116 (b) and (c), and shall include identification of problems in accordance with paragraphs 118 and 119.

127. The secretariat shall produce a report on the compilation and synthesis of national communications for all Annex I Parties in accordance with the decisions of the COP/MOP.

- - - - -

UNITED
NATIONS

UNFCCC Framework Convention on Climate Change

Distr.
GENERAL

FCCC/CP/2000/INF.3 (Vol. IV)
6 April 2001

ENGLISH ONLY

CONFERENCE OF THE PARTIES
Sixth session
The Hague, 13-25 November 2000

TEXTS FORWARDED BY THE SUBSIDIARY BODIES TO THE CONFERENCE OF THE PARTIES AT THE FIRST PART OF ITS SIXTH SESSION

1. This information document contains the negotiating texts forwarded by the subsidiary bodies to the Conference of the Parties at the first part of its sixth session under agenda item 3.*

2. The revised negotiating texts prepared by the President of the Conference are contained in the report of the Conference (FCCC/CP/2000/5/Add.3 (Volumes I – V)).

* FCCC/SBSTA/2000/CRP.11 and FCCC/SB/2000/CRP.15/Rev.2 are contained in part three of the report of the Conference (FCCC/CP/2000/5/Add.3 (Volume IV)).

CONTENTS

Page

PREPARATIONS FOR THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL (DECISION 8/CP.4)
(Agenda item 7)

I. "BEST PRACTICES" IN POLICIES AND MEASURES (Agenda item 7 (e)) 3

Draft decision -/CP.6. "Good practices" in policies and measures among Parties included in Annex I to the Convention 3

II. IMPACT OF SINGLE PROJECTS ON EMISSIONS IN THE COMMITMENT PERIOD (DECISION 16/CP.4) 7
(Agenda item 7 (g))

Draft decision -/CP.6. Impact of single projects on emissions in the commitment period 7

I. "BEST PRACTICES" IN POLICIES AND MEASURES AMONG PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

(Agenda item 7 (d))

Draft decision[1]

"Good practices" in policies and measures among Parties included in Annex I to the Convention

The Conference of the Parties,

[*Recalling* the relevant provisions of the United Nations Framework Convention on Climate Change, in particular its Article 4.1, 4.2, [4.8 and 4.9], [7.2"(b) and 7.2 (c)] and of the Kyoto Protocol, in particular its Articles 2, [3.2], [3.14], [13.4(c), 13.4(d)] and 7,]

Recalling [also] its decision 8/CP.4 whereby it requested the Subsidiary Body for Scientific and Technological Advice to undertake preparatory work to enable the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, to consider ways to facilitate cooperation to enhance the individual and combined effectiveness of policies and measures under Article 2.1 (b) of the Protocol,

Noting the Chairman's report (FCCC/SBSTA/2000/2) on the workshop held in Copenhagen from 11 to 13 April 2000, pursuant to decision 8/CP.4,

Appreciative of the contribution of the Governments of Denmark and France in sponsoring this workshop,

Recognizing that the implementation of policies and measures contributes to achieving the objectives of the Convention and the Protocol,

Recognizing also the value of information exchanges on "good" practices in policies and measures which are based on national circumstances, in furthering the objectives of the Convention and the Protocol,

1. *Decides*, in making preparations during the lead-up to the first session of the Conference of the Parties serving as the meeting of the Parties to the Protocol, in relation to Article 2.1 (b) of the Protocol, to continue to facilitate cooperation among Parties included in Annex I in order to enhance the individual and combined effectiveness of [implemented and

---

[1] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.14.

planned] policies and measures [under Article 2], in particular by sharing experience and exchanging information at a technical level, and taking into account national circumstances;

2. *Decides* that the work referred to in paragraph 1 should take place under the guidance of the Subsidiary Body for Scientific and Technological Advice, *inter alia* through initiatives involving all Parties and, as appropriate, environmental and business non-governmental organizations, and should include the exchange of information on policies and measures [undertaken by Annex I Parties] in all relevant sectors and on cross-cutting and methodological issues related to [assessing/characterizing] the effectiveness [and the impact] of policies and measures;

3. *Option 1:* [*Decides* that the work referred to in paragraph 1 should contribute to the improvement of the transparency, effectiveness and comparability of policies and measures, [and to an assessment of demonstrable progress of Parties included in Annex I in achieving their commitments under the Protocol] and should facilitate cooperation among Annex I Parties. [It should also contribute to an assessment of the actions to minimize the social, environmental and economic impacts of these policies and measures on developing countries, as listed in Article 4.8 and 4.9 of the Convention.] To that end the work should:

(a) [Enhance transparency in] [Make use of] reporting on policies and measures in the national communications of Parties included in Annex I to the Convention [through using, as appropriate, criteria and quantitative parameters] and consider issues of methodology, attribution and national circumstances;

(b) *Option 1:* [Contribute to the assessment of demonstrable progress, in particular [on] [through] policies and measures by 2005 in the context of Article 3.2 of the Protocol and serve as an input to reporting under Article 7.2;]

(b) *Option 2:* [Facilitate information sharing that may be relevant to the future consideration of Article 3.2;]

(c) *Option 1:* [Provide an assessment of the actions of Annex I Parties in striving to implement policies and measures in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on developing country Parties, as referred to in Article 2.3 of the Kyoto Protocol;]

(c) *Option 2:* [Facilitate information sharing on ways Annex I Parties have striven to implement policies and measures in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on developing country Parties [as referred to in Article 2.3 of the Protocol] [and provide a means for non-Annex I Parties to show that these adverse effects are occurring];

(d) Assist Parties and the Conference of the Parties in identifying further options for cooperation between Parties included in Annex I and other interested Parties to enhance the individual and combined effectiveness of their policies and measures [taking into account Article 2.[1 (b)] and Article 13.4 (d) of the Protocol];]

3. *Option 2:* [*Decides* that consideration of demonstrable progress cannot take place until after the Subsidiary Body for Scientific and Technological Advice has fully considered this issue pursuant to the guidelines that may be elaborated under Article 7, given that Articles 2 and 3.2 provide no mandate for policies and measures to be considered in the context of demonstrable progress.]

4. *Requests* the secretariat, under the guidance of the Subsidiary Body for Scientific and Technological Advice in collaboration with interested international and intergovernmental organizations active in the area of policies and measures [including the International Energy Agency, the Organisation for Economic Co-operation and Development, the Organization of the Petroleum Exporting Countries and the Intergovernmental Panel on Climate Change], to support this future work by organizing, *inter alia*, workshops and side events and invites such organizations to provide input as appropriate [and to present a status report on their activities related to policies and measures [[*inter alia* on] the methodologies to [assess] [consider] their [effects] [effectiveness]] to the Subsidiary Body for Scientific and Technological Advice at its fifteenth session];

5. *Requests* the secretariat to make available the information on policies and measures implemented and planned [under the Convention] [and its Protocol] related to this work as well as to compile information reported in the national communications by Annex I Parties;

6. *Requests* the secretariat to organize the first workshop under this decision related to the work referred to in paragraph 1 and to report the results [of the initiatives listed in paragraph 3 and] of the workshop to the Conference of the Parties at its seventh session. This workshop will be held according to the terms of reference adopted by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session based on submissions of Parties by 31 March 2001;

7. *[Requests* the Subsidiary Body for Scientific and Technological Advice to consider at its fifteenth session the initial results obtained from the actions taken pursuant to this decision and to report them to the Conference of the Parties at its seventh session with a view to considering any further action;]

8. *Invites* Annex I Parties and interested international organizations to provide the necessary financial support for the workshops and other activities identified in this decision.

[This page intentionally left blank]

II. IMPACT OF SINGLE PROJECTS ON EMISSIONS IN THE COMMITMENT PERIOD

(Agenda item 7 (g))

[Draft decision -/CP.6[2]

Impact of single projects on emissions in the commitment period

The Conference of the Parties,

Recalling its decision 1/CP.3, paragraph 5 (d),

Having considered the conclusions of the Subsidiary Body for Scientific and Technological Advice at its resumed thirteenth session,[3]

Recognizing the importance of renewable energy in meeting the objective of the Convention,

1. *Decides* that, for the purpose of this decision, a single project is defined as an industrial process facility at a single site that has come into operation since 1990 or an expansion of an industrial process facility at a single site in operation in 1990;

2. *Decides* that, for the first commitment period, industrial process carbon dioxide emissions from a single project which has come into operation since 1990 and adds in that period more than 5 per cent to the total carbon dioxide emissions in 1990 of a Party listed in Annex B to the Protocol, shall be reported separately and shall not be included in national totals to the extent that it would cause the Party to exceed its assigned amount, provided that:

(a) The total carbon dioxide emissions of the Party were less than 0.05 per cent of the total carbon dioxide emissions of Annex I Parties in 1990 calculated in accordance with the table contained in the annex to document FCCC/CP/1997/7/Add.1;

(b) Renewable energy is used, resulting in a reduction in greenhouse gas emissions per unit of production;

(c) Best environmental practice is followed and best available technology is used to minimize process emissions;

3. *Decides* that the total industrial process carbon dioxide emissions reported separately by a Party in accordance with paragraph 2 above shall not exceed [1.6] million tonnes carbon dioxide annually on the average during the first commitment period;

---

[2] This text was given restricted distribution at the first part of the sixth session, under the symbol FCCC/SBSTA/2000/CRP.13.

[3] FCCC/SBSTA/2000/14.

4. *Requests* Parties with projects which meet the requirements specified above, to report emission factors, total process emissions from these projects, and an estimate of the emission savings resulting from the use of renewable energy in these projects in their annual inventory submissions;

5. *Requests* the secretariat to compile the information submitted by Parties in accordance with paragraph 4 above, to provide comparisons with relevant emission factors reported by other Parties, and to report this information to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.]

- - - - -